THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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LABOR A FLY IN THE OINTMENT OF PROSPERITY

Present Phase One of Readjustment or Reaction?

BETTER IN WEST

Much Will Depend, However, on Whether Present Price of Wheat is Maintained—Weather Poor for Trade

"Most of the industries........ are running on full time. The only 'fly in the ointment' is the fear of a shortage of labor."

So writes a public man who is closely in touch with the industrial and trade conditions throughout the country but who for political reasons would not advisedly make such a statement in a public way. The point, however, is of increasing importance to business men as the pivot upon which general prosperity is swinging. Recent developments in the United States, which are being closely studied in relation to this country, indicate that the sharp upward movement in the commodity prices—in which labor is the dominant factor—since the first of the year particularly, has created such apprehension that the edge has been taken off the buying demand and it is now a question whether the brakes have been applied in time to prevent another reaction such as that experienced in 1920 or whether inflation had already been carried too far. In Canada conditions of prosperity have not been experienced in anything like the degree which has been the case in the United States, but prices have been likewise affected by rising labor costs and other influences and there are indications that consuming demand may be expected to follow the American trend. The situation would be greatly helped by a broader attitude on the part of labor leaders. Production at prices to encourage normal consumption would prolong industrial activity. Much also depends upon the results of the new crop in net profit to the farmer.

The Rising Wage Factor

The demand for higher wages is recognized as the critical phase of the industrial situation both in Canada and the United States. It is, of course, recognized that it is only natural that workers individually should take advantage of the demands for their services and that the rising tendency in one trade should be reflected in another, just as a shortage in one section of the country or in one industry draws upon others, with a resulting spreading out of the upward movement. Increasing wages, however, do not increase the number of workers but rather tend to decrease production because workers can make enough to meet their requirements on a shorter working schedule.

The outcome of such a situation is inflation with such high costs and prices as to lead to another collapse with resultant unemployment and suffering. The great mass of workers cannot be expected to see the consequence of individual wage increases but their leaders should recognize the situation. And the government should realize that in allowing workers to come into the country so as to keep wages at a sound level a step is being taken for the moderation of prices. Normal consumption means general industrial activity and employment and a fair deal for the agricultural producers who are not in a position to force up the return for their labor as the union organizations can temporarily accomplish.

Trying to Avoid Collapse

The hope that the recent application of the brakes will prevent another collapse finds support on the general situation as regards funds and the indication that the lessons of the last reaction have not been forgotten so soon. Caution is in evidence with some let-up in demand. It is estimated that the high rate of production in many industries during the last twelve months has resulted in filling up many needs, but there is no indication as yet of any general contraction in actual consumption and with labor still fully employed it is hoped that the present reaction represents a period of adjustment rather than one of deflation.

Business Situation

The most unseasonable weather throughout a large section of the country has had the effect of checking the passage of many commodities into the hands of the consumer. However, there are general evidences of a more optimistic outlook and a moderate accumulation of buying power which is being reflected in better retail business.

Reports from Western Canada are generally encouraging. The present price of wheat around $1.20 a bushel is regarded as excellent, everything considered, but the question is being asked whether this can be maintained for the 1923 crop. In this connection the anticipated reduction in both American and European acreages should be an important factor.

To Allow Deduction of Donations for Charity

Staff Correspondent.

OTTAWA.—An amendment to the Income Tax Act is anticipated to permit of the deduction of donations to charitable institutions on the basis which has been recognized in the United States, that is 15 per cent. Thus a company with a net profit of $100,000 would be allowed to deduct up to $15,000 in donations to charity before establishing the basis for income taxation.

Allowances were made during the war for donations for patriotic purposes but since 1919 these deductions have not been allowed.

PAYMENTS MUCH BETTER MADE IN WESTERN CANADA

Actual Evidences That Crop Last Year Was Profitable

After spending several weeks in Western Canada, during which he was closely in touch with the officials of mortgage companies and other farm loaning institutions, John Appleton, secretary of the Dominion Mortgage and Investments Association, confirms the reports of improved conditions in the agricultural situation. This improvement is not only actual and material as Mr. Appleton found it, but it is all the more marked because of the reaction with the spring activity on the land from the campaigns of discontent in which certain politicians have been active since the last crop season.

Mr. Appleton reports that the new crop is going in under very favorable conditions as regards moisture and that the farmers are getting right down to work, realizing that in the long run success depends upon the production of wealth out of the land. Agitations for cheap money and other panaceas of the politician are now forgotten in the activity of getting in the crop and the prospect of a profitable harvest.

It has been estimated by Edward Oliver, statistician of the department of agriculture, Saskatchewan, that the record Western crop of last year provided a profit of $100,000,000. It is difficult to reconcile this figure with the campaigns for cheap money in the West, which have been based upon the inability of the farmers to meet their obligations. No doubt there are many cases of hardship, where there have been crop failures for a number of seasons, or where farmers took on more land during the period of high prices than they could successfully operate, but the fact remains that payments have been much better met during the marketing period than was the case a year ago; the manner in which the funds have been forthcoming in some instances would lead to the conclusion that not all of the proceeds of the crop went to the bank but that some of it stayed in the "jeans" of the farmer.

In some of the business centres conditions are much depressed. The better tone has not thus far been reflected in improved buying. Even the farmers who have reserves are following a very conservative policy in their spending until there are more definite indications of what the crop season is likely to bring forth both as to yield and as to prices.

MORE RUMORS OF CANADIAN ISSUE

Report Again Circulating That Dominion Will Enter N.Y. Market

From Our Own Correspondent.

NEW YORK.—The report is again circulating here that the Dominion of Canada proposes within the next three or four weeks to float a loan in the American market variously estimated at from fifty to one hundred million dollars. While no direct confirmation of this report is forthcoming, it is showing unusual vitality and has found its way during the past ten days into at least three local newspapers possessing a reputation for accuracy.

But both local Canadian bankers and bond dealers are receiving the report with some skepticism. They are pointing out that the bond market is to-day hardly in a favorable condition so far as a new Canadian issue of the size mentioned is concerned. The condition of the Canadian exchange market is hardly more favorable. Everything considered they do not appear to believe that so astute a financier as the present Canadian Minister of Finance will attempt to make a loan in the United States at present.

Later in the season, of course, the situation may change, as one Canadian banker pointed out to THE FINANCIAL POST, but the outlook will not improve from the Canadian point of view until easier conditions in the money market tend to strengthen the demand for high grade bonds.

WARM LIGHT RAIN AND SUNSHINE THE NEED OF PRAIRIES

Ninety-Five Per Cent. of Wheat Sown by May 19

OUTLOOK EXCELLENT

Moisture Fairly Well Distributed—Drought Area of Southern Alberta Well Supplied

By E. CORA HIND,
Agricultural Editor, Manitoba Free Press.

WINNIPEG.—Given a warm light rain over the entire west, followed by warm weather and plenty of sunshine between now and June first, the west will have its crop away to an excellent start and any time that has been lost will be rapidly made up. The Manitoba Free Press, following its long established custom, issues to-day its May crop report and this will be followed regularly by one every 20 days during the growing season.

Queries were sent to 322 correspondents distributed all over the west and replies have been received from 281. Taking these reports broadly they indicate that 95 per cent. of the wheat was in the ground by May 19th; that a very considerable acreage is up, looking thrifty and green; that the seed went into exceptionally well prepared land; that with few exceptions there was enough moisture to germinate the seed and carry it for some little time; that in the majority of districts there is good sub-surface moisture stored and that all that is now needed to bring the crop forward very rapidly is a warm rain followed by plenty of warm sunshine. Given these two things conditions are excellent for the season and the delay in seeding will have caused much less loss of time than was anticipated some two weeks ago.

The question of acreage is important. The decrease in wheat acreage is comparatively slight. About forty per cent. of the coarse grains are seeded and in many districts these acreages are being increased but it will not be until the next report that anything definite on coarse grain acreage can be obtained as many farmers are not yet decided on what they will seed to coarse grains on

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DOME BREAK NOT DUE TO CHANGE AT MINE

The break in Dome Gold Mines stock, which has carried many of the other leaders down with it, is in no way due to any change in the physical condition of the mine. Dome is now producing at the rate of $450,000 every 30 days, which at this rate would mean the turnout of an amount of gold equal to its capitalization in ten months.

Wonderfully rich patches of high-grade ore are steadily being encountered and it is authoritatively stated that the mine management each month faces difficulty of keeping the mill heads below $12. Usually the end of the month sees the management able to use a considerable tonnage of very low-grade matter that under ordinary conditions would be considered scrap. This is dumped into the mill, it gives a small return but maintains the average mill head.

Amendment Expected to Overcome Double Taxation of Bond Interest

Staff Correspondent.

OTTAWA.—Legislative action is expected to clear the air on the vexed question of the taxation of bond interest under the Income Tax Act. It will be remembered that the Department of Justice definitely ruled that under the act, as it is drawn, such interest cannot be deducted before profits are taxed and thus the situation is created that such interest is taxed as profits like stock dividends while the tax again applies to such interest as income to the individual, whereas dividends are exempt.

It is held that on a test case this double taxation could not be sustained but it is evidently considered that the matter can be more smoothly straightened out by some slight amendment to the act rather than taking the issue to the courts.

There can be no doubt about the intention of the act—that bond interest should be allowed as an expense. This was made clear by statements made in the House by Sir Thomas White at the time the bill was brought in. It was the intention that profits which are the property of the shareholders or partners in the business would not be estimated until after bond interest to the mortgagees had been paid and it is anticipated that the amendment to overcome double taxation will be in this direction.

New Sales Tax to Apply at Highest State of Manufacture

No Collection at Any Stage Until Goods or Materials Pass Out of Hands of Licensed Manufacturers or Wholesalers—Definite Rulings Will be on the Bill

Staff Correspondence.

OTTAWA.—The general principle of the new 6% sales tax is that it is to apply once and that at the highest state of manufacture. The system of licenses for manufacturers and wholesalers is planned so that there will be no tax applied until the goods pass out of the hands of those holding such licenses. Thus the great bulk of the taxes will be collected when the goods are sold by the wholesaler holding a license to the retailer, but instead of the tax being six per cent. of the invoice to the retailer, there will be collected six per cent. of the invoice price from the manufacturer. In the case of imported goods the duty paid price will be the basis for the taxes collected when the goods pass out of the hands of those holding licenses. Should goods pass to (1) an unlicensed manufacturer or (2) to an unlicensed wholesaler, the tax will then apply on the basis of price at the highest state of manufacture or on the duty-paid price.

The application of this principle will clear up some of the points which have been raised by manufacturers, wholesalers and retailers. But the fixing of responsibility for collection so largely on the wholesaler raises other points. There is difference of opinion as to who will absorb the tax under this arrangement. It will be imposed by the licensed wholesaler on his sale to the retailer, but it is known when he buys from the manufacturer as that is the value on which the levy is to be based. A point to be established is whether the manufacturer's invoice will show the tax.

Licenses Are Important

Then as so much depends for the operation of the plan on the licensing system it becomes highly important as to who will hold licenses. The general definition has been set down that a "wholesaler" is one who sells not less than 30 per cent. of his total sales of goods to a licensed manufacturer and a "manufacturer" one whose volume of business is more than $10,000 a year. But there will be rulings required it would seem in the building trade where a contractor may manufacture from lumber for his own purposes or in the case of custom tailors.

Only the principles of the new taxation program are outlined, however, in the resolution brought before the House by Hon. Mr. Fielding. The definite regulations are embraced in the act under which the new taxes will be levied. Between the introduction and the passing of the act there will be opportunity for amendments and during that period Ottawa will no doubt see a large number of deputations from various industries. After the act is passed consideration can then be given to rulings covering the various points to be raised by those affected.

Will Invoice Show It?

The question as to whether the 6 per cent. levy will be shown in the invoice from manufacturer to wholesaler or wholesaler to retailer will have to be worked out later, after the bill is brought down. In cases where prices quoted include freight, an adjustment will be allowed to cover only

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AN UNBALANCED BUDGET IS MOST SERIOUS FACT

Being Discerned as Smoke of Political Debate Clears

LOOK TO THORNTON

Staff Correspondence.

OTTAWA.—As the smoke of political debate on the tariff, and other taxation features of the budget clears away there is evident in Ottawa a growing realization of the more serious feature of Mr. Fielding's financial program—the fact that the budget does not balance. The increase in the national debt with its uncontrollable annual interest obligation is depressing to those who consider seriously the national outlook. "Annexation by the United States is our ultimate future if something is not done to lighten this discouraging burden," is the opinion of one who has been taking the farther view of the problem.

Some hope lies in the Fielding estimates and the fact that the minister of finance is generally on the conservative side in his figures. He has reduced his estimated revenue from sales tax when it does not seem that there should be such reduction and he has in other ways arrived at a deficit which may easily be reduced eventually with good political effect to the government. In the meantime the prospect of a deficit should have a discouraging effect on some of the government spenders. Mr. Fielding may realize the painful truth of governmental finance—that usually the spending is only limited by the supply of money.

Hope in the Railways

But the hope for a practical solution of the problem seemingly lies in the direction of the National Railways. Mr. Fielding has already indicated that there should be an improvement this year. Perhaps it will be more pronounced than he has estimated. Some of the questions which are being asked in the House by Mr. Meighen would seem to lend color to the gossip that the showing for last year could have been made better had it been decided to do so. On the other hand, Ottawa is wondering where Sir Henry Thornton is going to get the millions which he is planning to spend on such projects as a new skyscraper in Toronto and the building of radial lines.

So far as the departmental spending program is concerned, there can be no doubt but that estimates have been pared to the bone. But little is being done in the direction of that reorganization which might bring many of the departments to a more efficient basis where the country's business could be done much more

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The Case for Western Canada

What is Behind the Strenuous Campaign to Emphasize the Necessity for Bringing Prosperity to the Prairie Farmer Launched by the Manitoba Free Press

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

On April 16 the Manitoba Free Press at Winnipeg began the publication of a series of brief articles, in large type on its front page, entitled, "The Gentle Process of Beating the Western Farmer and Destroying Winnipeg Trade." These articles dealt in brief with the revelations made before the Royal Commission appointed to inquire into a lake shipping combine and the evidence given before the special committee on agriculture relative to the North Atlantic Combine, the cornering of space for cattle shipments and kindred matters, and drawing the attention of the business men of Winnipeg and the whole of Western Canada to the loss they were sustaining by these steady drains on the farmer's power to buy.

The re-action of the general public to these articles has been very interesting. It is hardly necessary to state that the farming community generally have expressed almost unqualified approval, but business men in Winnipeg, Regina, Calgary and Edmonton, together with such of the press as is avowedly Liberal, have been loud and long in their denunciation of this "attempt to ruin the reputation of Western Canada." One of the first moves was for the Winnipeg Board of Trade to wait on the management of the paper and protest. They were obliged to admit that the statements made were true but "making them public would damage the country, etc., etc., etc." But between the 16th of April and the 15th of May a change has come over the spirit of the business men, though not of the so-called "Liberal Press." Business men are beginning to realize as they have never done before that agriculture has got to be put on a profitable basis in Canada or the country will be ruined in deed and in truth and that trying to paint the farmer as a groucher and a pessimist and shouting "all is right with the best of all worlds" is not going to get them anywhere, or the farmers either.

The West's Mistakes

Many mistakes have been made in Western farming, mainly through lack of knowledge on the part of men who were attempting to farm for the first time, and the immigration departments of our governments and railways are partly, indeed largely, to blame, because hundreds, yea thousands, of people were induced to come to Canada on the understanding that they could farm without previous experience. It says volumes for the soil and climate of Western Canada that in the space of 40 years, with so many inexperienced people on the land, that

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OTTAWA'S MOVE ON GRAIN RATES; CHARGES PROVED

Commission's Report Leaves No Doubt as to Combine's Existence

MORE COMPETITION

If American Vessels Come in Field it Will Provide Competitive Operation for Canadian Boats

From Our Own Correspondent.

MONTREAL.—There is ample precedent for the control of grain rates on the Great Lakes by a government body, as recommended by the Royal Commission that sat to inquire into the charges of a combine among the steamship men on the upper lakes. Railway rates are now controlled in Canada and most public utilities are under municipal or provincial control. There is no more justification for regulation of lake grain rates according to the laws of supply and demand alone, than for the fixing of railway freight and passenger tariffs upon the same basis or for a sliding scale of charges at the rush hour of street car traffic.

Now Up to Government

The report of the Royal Commission puts it squarely up to Ottawa. The suspicions of Western farmers that they were not being fairly treated in the matter of the cost of shipping their grain to Eastern markets, a suspicion that developed much resentment last year particularly, is thoroughly confirmed. The report justifies the charges of THE FINANCIAL POST that a lake freight rates combine existed that was inimical to the interests of shippers and shareholders alike. And having justified these charges the report of the inquiring commission leaves no room for equivocal action. Ottawa must not allow Canadian grain shippers to be at the mercy of unbusinesslike methods of fixing freight rates for another season.

Measures should be taken to prevent a continuation of the combine of vessel owners that fixed rates by tacit understanding it is recommended. The specific recommendation is that the rates be fixed by the Railway Commission or some other independent body which would have expert advisers at its command. The need for such a body is seen in the statement that "the increase of the 1922 rates over those of 1921 by the Canadian vessel operators was so great as to be high and unjustifiable." The report refers to the fact that the Canadian vessels sailing from the twin ports at the head of the lakes to other Canadian ports at the lower end of the journey charged higher rates than to American ports on the lower lakes. They justified the higher charges on several grounds, the more important being that they could get return cargoes of coal from the American ports that they could not get from the Canadian ports. The commission finds that this does not provide sufficient justification for the difference in the rates charged to Canadian and American ports.

Maximum Rate Basis

It is clear that definite rates for grain traffic that will become applicable to all shippers are not what

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EDITORIAL

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Crop Reports

AS in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

These crop reports are telegraphed to various centres, from which they will be mailed free to all who require them.

Application to be put on the mailing list may be made in person or in writing at any Branch of the Bank.

Total Assets in Excess of $600,000,000

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Bank of Montreal

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UNION BANK OF CANADA

Dividend No. 145

Notice is hereby given that a dividend at the rate of 10% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg and also at its branches on and after Friday, the First day of June, 1923, to shareholders of record at the close of business on the 16th day of May next.

The Transfer Books will be closed from the 17th to the 31st day of May, both days inclusive.

By order of the Board,
J. W. HAMILTON, General Manager.
Winnipeg, April 19, 1923.

The Bank of Nova Scotia

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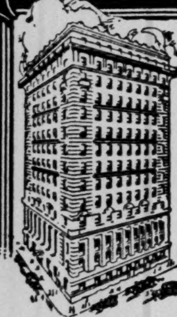

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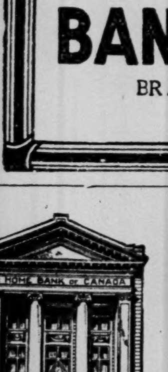

THE HOME BANK OF CANADA

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BRANCHES AND CONNECTIONS THROUGHOUT CANADA
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Property Values Definitely Established to Meet All Insurance and Accounting Requirements
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GOOD ANTHRACITE NOW BEING OPENED UP ALONG C.N.R.

Might be Laid Down in Ontario at $16 Wholesale

FOR DOMESTIC USERS

Former Easterner Does Not Believe Alberta Coal Would be Satisfactory to General Consumer

Frank Frank, of Vancouver, a former Eastern coal man, who has made a study of the shipping of Western coal to Ontario, says that anthracite coal now being opened up along the C. N. R. in British Columbia is very similar to the domestic supply from Pennsylvania and would suit Ontario consumers. He doubts if the Alberta coal would satisfy the Eastern domestic trade. He makes some interesting points on transportation cost in giving his views and suggests that coal could be laid down in Toronto at the wholesale price paid by most dealers last year.

His letter follows:

To the Editor, Financial Post,
Toronto, Ont.

Dear Sir:—

Re article on Page 1, April 13th, "Only Portion of Alberta's Coal Would Suit East." Coming from Ontario myself, and where I had many years' experience in both coal, and stoves, etc., and having never relinquished, and being fairly well versed with coals from Sidney, Nova Scotia, to Comox or Felkwa, B. C., may I say that the coals enumerated and recommended would answer better than any other coals from Alberta now available but none of these, in so far as my past experience went, would satisfy the Ontario domestic trade. There are, however, coals in B. C. on the C. N. R. now being opened up and I hope a little of it to be on the market by this coming fall, which coal is very similar in quality and character to the Pennsylvania anthracite and semi-anthracite. With a minimum (cost-plus) transportation rate, this coal could be shipped to the western portion of the Canadian territory demanding anthracite coal and it may even drift into Toronto. A full car load each way should make a coal rate of $7.00 a ton possible to Toronto which, with a trainload of 2,000 tons of coal would figure out $5.00 per mile which I understand is more than the gross earnings (freight) per train mile on the C.P.R. I understand also that coal is classed as tenth class and so should not be expected to earn so much, if so a train load of only 1,500 tons would be earning $3.75 per train mile — which should be paying. If we had the roadbed, bridges and equipment to haul from 7,000 to 8,000 tons per train, a $3.50 or $4.00 a ton rate would make railroading profitable hauling coal from the West to the East.

However, do not build on $9.00 a ton coal (in Toronto) that originates in Alberta and less so from British Columbia, though you may find British Columbia anthracite coming into Toronto at $16 a ton wholesale, which is about the same and even less than what dealers paid last season. If the East (capital) would endeavor to develop rather than strangle Western resources much good for the whole Dominion would result.

I trust that within a few months' time I shall be able to contribute further important data concerning British Columbia C.N.R. territory.

Vancouver, May 12, 1923.

WILL TAKE UP SURPLUS POTATO CROP OF PRAIRIE PROVINCES

Edmonton, Alberta.—The registration of incorporation of the Potato Products Limited, with headquarters here, marks the introduction of a new industry, which may have a beneficial effect on the potato growing industry of Alberta. The new company proposes to manufacture flour, starch, dextrine, alcohol, etc. There has been for the past few years an average surplus of a quarter of a million bushels of potatoes in the Edmonton district, a large proportion of which could be utilized by the new company in the manufacture of various products.

Alberta.—Two irrigation debenture issues and a provincial government refunding issue will be put on the market by the Treasury department about the middle of June.

STEEL PRODUCTION ATTAINS HIGH LEVEL

April Output Was the Greatest Since November of 1920

The production of steel ingots and castings made a further advance in April above the high level of the previous month, and reached a total of 92.598 tons in the month under review representing an increase of 3,510 tons or 3.9 per cent. The output in April, of last year, was 21,935 tons, while in April, 1920, the production was 92,480 tons. It is also noteworthy that the April output this year was greater than in any month since November, 1920, when the production was 97,120 tons. The monthly average for April during the period from 1919 to 1921 was about 65,000 tons.

The cumulative production for the first four months of the present year was 276,184 tons, as compared with an output of 176,036 tons in the first four months of 1922 and 127,275 tons in the corresponding period of 1921. The cumulative output during the first four months of 1920 was 365,678 tons.

The output of pig iron during April amounting to 83,877 tons was in advance of all monthly records since November, 1920, when 93,525 tons were produced. The April production was 28.5 per cent. greater than the output of March, reported as 65,297 tons. The advance over the corresponding month of last year was 51,305 tons or 157.5 per cent.

Pacific Coast Rates Show Upward Trend

SAN FRANCISCO. — Continued scarcity of tramp tonnage for trades from the Pacific Coast has caused the Australian lumber rate to firm up to $16, the highest since 1920. Going rate has been $15. Even at $16, little tonnage is offering for trip charters, although a French steamer is reported to have been fixed on this basis. The shippers are forced to take time charters, in most instances bringing the vessel here from distant parts. Oriental lumber is also stiffening, and the shippers are now offering more than $14. The lumber trade with the west coast of South America is showing more animation than in many weeks and European grain has firmed up to 35 shillings. The Pacific westbound conference has advanced its rate on wheat and flour from $5 to $6, effective with wheat August 1 and with flour September 1.

FLOUR AND WHEAT SURMOUNTED HIGH TARIFF IN APRIL

Agricultural Products Exported to U.S.A. Show Twelve-Fold Increase

From Our Own Correspondent.

MONTREAL.—During April Canadian wheat and flour made an onslaught on United States markets, climbing boldly over the high tariff barriers with the result that the products—raw and manufactured—of Canadian farms exported to the States were the highest for any April in the past four years.

Farm products exported from Canada to the United States in April totalled $15,316,129, as against only $1,266,098 in 1922, and $6,328,534 in 1921, before the high tariff barricade was erected against the products of Canadian agriculture. The showing was satisfactory and suggests that Canadian produce may be able to compete in American markets despite the high tariff walls.

Improvement in Exports

As a result of the April showing the total agricultural exports for the seven months since the September tariff schedule of the U. S. A. went into force have amounted to $46,016,016, as against $32,107,897 for the same period in the previous year. But the total is still far below the amount for the seven months ending April 30, 1921, which came to $46,016,676.

Canada's foreign trade in general during April was very satisfactory, exports showing a much larger increase than imports. Comparative figures for three years follow:

	April 1923	April 1922	April 1921
	$	$	$
Imports	68,181,320	47,861,454	65,310,847
Exports	53,642,251	31,917,500	43,280,735
Deb. bal.	14,539,069	15,943,954	22,030,112

Natural Products to Fore

The big increase in exports was in agricultural products, iron and other ores, forest and other natural products. Exports and imports during April were as follows:

	Imports	Exports
Agri. prod.	$13,224,898	$16,669,577
Animals, etc.	3,051,931	5,911,201
Textile, etc.	14,575,638	531,895
Chemicals, etc. . . .	2,035,068	1,072,445
Iron and steel . .	14,189,834	5,164,116
Other ores	3,641,397	3,645,691
Non-metals	11,188,530	2,153,207
Forest, etc.	3,255,484	17,392,855
Miscellaneous . . .	3,018,540	1,101,864

WAGES PREVENTING MARITIME BUILDING

Housing Shortage Will Not be Met at Present Costs of Construction

From Our Own Correspondent.

ST. JOHN.—High costs of labor and building materials are joint reasons for curtailment of building operations in the Maritime provinces. During the winter plans were made for the erection of many houses by building companies and individuals. However, labor costs and the prices of building material advanced considerably in the meanwhile and the builders are now reluctant.

Labor is probably the most formidable item. The migration to the New England States during the late winter and spring is continuing and a dearth of labor has resulted.

The need of houses in most of the cities in the Maritime provinces is urgent. The housing problem is acute in St. John, Sydney, Halifax, Glace Bay, Moncton, Fredericton, St. Stephen, Charlottetown, Amherst, Truro, New Glasgow, Dartmouth, Campbellton, and smaller centres. In St. John and suburbs alone at least three hundred houses should be built this season in order to afford relief. The shortage of houses has never been felt so strikingly as at present.

The sudden strengthening of the New England market has advanced the prices of building materials in the Maritime provinces such as lumber, lime, laths, cement, etc. The building boom in New England gives indications of weakening according to present reports, because of the exorbitant demands made by labor and many of the building projects are being deferred indefinitely.

Halifax, N.S.—An extension of fifteen days, from June 1 to June 15, has been made in the lobster fishing season on the Nova Scotia coast from Halifax westward. This action was taken because, owing to the backward spring practically no lobsters have yet been landed, although the season opened on **March 1.**

WILL C.P.R. MAKE CUT IN RATE ON WESTERN COAL?

Drumheller, Alberta, Operator Points to Rather Significant Action

MINES ARE READY

Eleven of Them on His Field Could Each Ship Train Load of Coal Daily

There are signs that the C. P. R. may make the break and reduce the freight rate of Western coal to the East to a point where it would be a commercial possibility to ship the coal east in train loads.

What is taken as an indication of such a possibility of this is pointed to by J. E. Herron, Calgary, a Drumheller coal operator. Just as the university authorities announced the result of their tests and approved of the coal from the Drumheller area, as suitable coal to ship to Ontario, Mr. Herron learned that the C. P. R. had placed a contract for the building of a spur line from its main line into the Drumheller field.

Mr. Herron says the Drumheller coal is suitable for Ontario consumption and will ship well. He finds that it will not store for the summer in the west because it contains considerable moisture and will slack. However, he believes this may not be the case in the damper climate of the east.

On the point of what amount of coal could be produced for eastern consumption Mr. Herron said the eleven Drumheller operators are equipped so that each could ship a train load of coal a day.

Speaking of the Lethbridge mines, Mr. Herron said they were also well equipped and the Galt coal was one of the best of the west, even a little better than their Drumheller coal. They have developed an excellent market for it over the border and are receiving a higher price than the other mines are receiving. Mr. Herron expresses confidence that a suitable rate will soon be arrived at.

Tests Show Coal Good

Official tests of the Alberta coal, conducted in Toronto, show that at a price of $12.50, the Alberta coal is a satisfactory substitute for $15.50 Pennsylvania anthracite. The report of the investigating commission, composed of C. H. Mitchell, Dean of the Faculty of Applied Science and Engineering; R. P. Fairbairn, Deputy Minister of Public Works, and J. A. Ellis, Fuel Controller, finds that a ton and a third is about equal to a ton of hard coal. The report adds: "We are of opinion that Alberta coal of the grades or samples submitted, or similar to them, would prove a satisfactory substitute for domestic use for American anthracite. It would be desirable, however, that only the best grades of such Alberta coal should be shipped to Ontario."

In addition to testing the coal in various furnaces, the committee inspected the coal upon arrival for breakage, and found that the Drumheller coal was in excellent condition, composed of large lumps and a quantity of smaller size down to about stove coal size. The Saunders Creek coal appeared to have disintegrated a little more, but not very much.

From questionnaires sent out to people burning the coal, the commissioners find that, with a continuous fire, one-half ton of coal lasted from ten to eighteen days under comparatively mild weather conditions; when a fire is started there is a little smoke at first; there is no good coal to be found in the ashes, and, with one or two exceptions, no clinkers or slate; the coal compares very favorably to hard coal, but burns more quickly; responding promptly to draught; quite a number say it is good coal for grate use.

BUILDING IN APRIL WELL OVER MARCH

Total Falls Just Slightly Under the 1922 Total

During April, construction contracts awarded in Ontario, according to MacLean Building Reports, Limited, amounted to $17,399,300 compared with $7,342,000 in March and $17,910,700 a year ago. The April figures, according to classifications and types are as follows:

Types	No. of Projects	Value
Apartments	9	$ 417,000
Churches	11	611,000
Factories	18	863,000
Public Garages	13	139,200
Hospitals	3	182.000
Hotels and Clubs . . .	8	452,000
Office Buildings	7	353,000
Public Buildings	6	251,800
Residences	1428	6,580,100
Schools	17	564,500
Stores	40	577,600
Warehouses	8	1,704,500
Bridges	4	367,400
Dams and Wharves	3	541,400
Sewers and Watermains	13	148,800
Roads and Streets . . .	23	1,566,000
General Engineering . . .	15	2,080,000
Total	1626	$17,399,300

EMPLOY 2,000 MEN

St. Catharines.—There will be 2,000 men employed on the Welland ship canal construction work by June, according to Chief Engineer Grant. About 1,000 men are now employed. Engineer Grant expressed the view that, while the earth excavation work on the canal is perhaps 80 per cent. completed, the rock excavation is not yet 50 per cent. completed.

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In Queensland 19
In South Australia 14
In Western Australia 20
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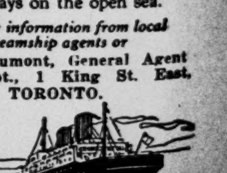

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A GOOD JOB

Charles M. Schwab delights in telling the following story of an incident in one of the steel mills under his charge:

"One day while I was passing through the works I looked out a second-story window into the first floor of an adjoining shop and saw a big Irishman sitting on the handles of his wheelbarrow smoking his pipe. I called to him, 'What are you doing down there? Why don't you get to work?'

"To which the Irishman replied, 'Well, tell me, and who are you, sir?'

"I said, 'I'm the general manager.'

"'Well, young man,' said he, 'you've got a damned good job; you'd better take care of it.'"—Forbes Magazine.

GROWING NUMBER OF PROFESSIONAL IDLERS IN BRITAIN

This is Result of Dole System Started by the Government

TAXES STILL HIGH

Many Canadians Go to Vienna to Become Billionairies and Can Live Like Princes for Few Dollars a Week

Special Correspondence.

LIVERPOOL.—There has been no readjustment of the assessments in England since 1912 and one is now forthcoming which will tremendously enhance the value of property in this country for local taxation purposes. This will permit of a lower rate than has been usual over the country recently, but people are now commencing to see that the low rate means high taxation when the new assessment is taken into consideration. Therefore, there does not seem to be very much relief from taxation here which is tremendously high. For instance, rates in the city of Liverpool for municipal purposes have been 19/ 6d. in the pound on a rental basis. That is to say, if you paid £100 rent for your house, you would pay practically the same in tax rates. Therefore, a house rent does not mean what one has to pay, but it must be practically doubled in every instance. This year the rates have been reduced slightly.

The income tax is approximately 5/- in the pound, which is 25 per cent., with an allowance for a married man up to £250, with a further small allowance for children up to 16 years of age.

If the rate in Canada were 25 per cent. on income, there would be an explosion. However, the people have got used to high rates here and they are glad when a little reduction is made, such as 6d. in the recent budget.

The Dole System Doesn't Work

One hears lots of discussion on the question of the dole. The home women in this country are up in arms against the dole being paid to out-of-work girls. Girls may draw 12/- per week and the men 25/-. Some families are living pretty well on the dole but it impoverishes the mind of the people and deadens their desire to work. What the end will be no one can predict, except the government which has control of the payments.

Now, there are two sides of the argument. The dole was originally installed for the purpose of preventing Bolshevism in England. When large numbers of men were out of work they were bound to become restless and troublesome unless they were given some means of living and the government put into effect the dole for the purpose of keeping out-of-works in a passive attitude.

On the other hand, there are hundreds and thousands of men in this country who will not work again if they can help it. They have become professional idlers with 25/- a week to keep them in food and lodging. Where a man and two or three grown up children are drawing the dole, you can imagine they live fairly well in a small house.

The cause of so many men being out of work in this country, appears to me to be due to the collapse of exchange in Europe. In England, as you know, the pound is nearly at par and men paid on the basis of par value of exchange, naturally receive very much more money than the man in European countries who is paid in marks, kronen, francs, etc., which are at a heavy discount.

Excellent gloves of the finest quality of kid can be purchased in Berlin at 4d. per pair. Many other things are sold in like proportion. To those who can speak the German language and know the way of the Germans there are boundless opportunities.

Canadians in Vienna

Austria is the cheapest place in the world to live at the present time. A man may live in a high-class hotel in Vienna with everything found, including tips, and he may be extravagant in them, at a total cost of about 6 to 7 dollars a week.

A number of people have gone to Vienna to live and there are quite a number of Canadians who have moved to Vienna with their wealth and are naturally billionaires over there with enough money to last them till kingdom come. It is said that Vienna is not a bad place to live in. The people have all gone to work and everybody is industrious and anxious to make good and conditions are quite normal in that fantastic city of central Europe, except the exchange. There is no country in the world where one can do so well on so little as in Austria.

Imperial Plots in Russia

One hears a great deal here about Russia, but it is more particularly on what is expected to occur in the future. As you know, the smallest proportion of the population is absolutely in control in Russia. They had the finest opportunity of any people in the world to govern a country when they secured control of Russia and they have made the biggest fizzle of it; it is a debacle.

There are crowds of Imperial Russians plotting to secure control, from all that one can hear, and sometimes one will get a little inside information in peculiar ways; it looks as though there will be another St. Bartholomew's day in Russia and when the reports come forward do not be surprised how many million Jews are slaughtered. The world naturally will be staggered at the results but Russia will be freed of its present control. Most every civilized country has gone through its revolutionary period, even England had its day. Russia is just a few hundreds years behind the times. This is the general opinion of those who have a particularly good knowledge about Russian affairs.

GOVERNMENT PEAT PLANT MAY BE IDLE

No Arrangements to Produce Following Completion of Experiments

From Our Own Correspondent.

MONTREAL.—The peat plant at Alfred, Ontario, the scene of the experiments of the government peat committee, will not be operated this season by the Federal and Ontario governments. The peat committee ceased to function at the end of April, their work having been completed with the perfecting of a method and machinery for the making of economical peat usable as fuel. The governments now take the stand that their work is ended with the satisfactory conclusion of the peat committee's work and that they are not interested in the manufacture of peat.

The unfortunate lateness of this decision means that, even if private capital was immediately available to purchase the Alfred plant, by the time operations could be started, peat production would be greatly cut down before work must cease with the September frosts. Thus a total of from three to five thousand tons of peat only, could be expected to be manufactured, whereas in a full season's work a total of fifteen thousand tons could be reached.

An endeavor is being made by Ernest V. Moore, Montreal, engineer of the former peat committee, to interest Montreal capital in the purchase of the Alfred plant.

THE INDUSTRIAL FUTURE BRIGHT FOR WINNIPEG

New Bounties Expected to Result in New Plants

From Our Own Correspondent.

WINNIPEG.—If all the industrial enterprises come to the environs of Winnipeg that are being currently mooted Greater Winnipeg will experience the most impressive industrial expansion this year of any recent year. Four new industrials are reported to be considering establishment here. The Manitoba Pulp and Paper Co., a $4,000,000 enterprise, is definitely under way. This week the council of St. Boniface, Man., reached the pourparler stage with proposition for a new pulp and paper mill. Winnipeg is reported to be under consideration as a site for a rope and binder-twine factory, to be built at an outlay of at least $1,000,000, and the new bounty on electrolytic copper is expected to lead to the development of copper smelters in the Winnipeg district.

These reports have raised the question as to Winnipeg's standing in relation to other manufacturing centres of Canada. "In the year 1920, Winnipeg ranked fourth among the manufacturing cities from the point of view both of the capital invested and the value of finished products," says the Winnipeg Tribune, adding, "it is cheering to reflect upon the fact that this country compares so favorably with other countries industrially and that Winnipeg is rated so highly among her manufacturing centres, particularly in view of the fact that Manitoba is primarily an agricultural province."

The negotiations reported to be in progress with the council of St. Boniface provide for a mill which would ultimately manufacture several hundred tons of paper daily, and involve an expenditure upon buildings and plant exceeding $1,000,000. The details have not been disclosed but it is known that negotiations were opened a few days ago by William Scott, Fort William lumberman, with the city hydro, for a block of 10,000 horsepower of electrical energy for industrial purposes, to be increased at a later date.

Reports emanate from the Board of Trade that Manitoba will probably gain another large industry as a result of the present budget proposals, providing for a bounty on electrolytic copper. It is stated that Winnipeg interests are prepared to establish an industry for the manufacture of this material on the large copper areas of the Bird River and Bear Lake districts. Development of this property is proceeding rapidly, and it is expected to be in the producing class in the near future. Large power schemes, under way in this province, provide a splendid home market for copper wire and rods, and it is believed the same interests will be associated in the development of the new industry. Definite plans for the establishment of copper smelters in this territory are at present under consideration by the owners of the property, who have already spent about $50,000 in development. A diamond drill has been working for several months and reports received in Winnipeg from the field of operations indicate that the extent and richness of the property are greater than first expectations.

A factory for the manufacture of hempen rope and twine, representing an investment of $1,000,000, may be established in Winnipeg as the result of the Dominion government's proposal to pay a bounty on hemp grown in Canada and to place hemp seed on the free list. Hon. Mr. Fielding's provision for a subsidy to the hemp industry is the result of representations made to him by Winnipeg business men, it is stated.

FARM PRODUCTION IN 1922 INCREASED LITTLE IN CANADA

But Better Prices Will Add Greatly to Country's Purchasing Power

MIXED FARMING

Communities That Engaged in Diversified Agriculture Suffered Less in Decline Than Cereal and Live Stock Areas

From Our Own Correspondent.

MONTREAL.—Canadian farmers are looking forward to higher revenues from their 1923 production. To some parts of the country a good harvest will be in the nature of a "debt paying crop;" to the older and more stable portions of the country a good crop is welcome but chiefly because it helps to average up the income from year to year not because it is a necessity to ward off bankruptcy. It was expected that 1922 would show up very well and compensate the farming community for its misfortunes of 1921 but the year was something of a disappointment. While the gross agricultural revenue of Canada in 1922 was higher than in 1921 the increase was small. Canadian farmers had gross revenues of $1,420,170,000 in 1922, as compared with $1,403,686,000 in the previous year. The purchasing power of the farmer as a result of the 1922 crop has been but little increased. But the better prices now prevailing mean much. Without increasing production by a single bushel of wheat a 15 per cent. increase in the prices received by farmers for their produce would add $300,000,000 to the purchasing power of the country.

Discounting the Decline

The gross agricultural revenue of Canada reached the peak in 1919 when it totalled $2,109,291,000, declining in 1920 to $1,986,082,000 and to the figures given above for 1921 and 1922. This decline has been very large but in considering the effect on the purchasing power of the country the comparative costs of the commodities the farmer purchases with his dollar must be considered. With due allowance for the decline in prices generally it will be seen that farmers as a whole in Canada have not been seriously hit during the past two years. Where mixed farming, including poultry raising, fruit and vegetable farming, and dairying are carried on, the purchasing power of the farmer has actually been increased. The big decline in agricultural prices in 1921 came in the grains and in livestock and naturally the sections of Canada that concentrated on cereal crops and livestock raising were affected most heavily. That is why the prairie provinces suffered more by the decline in agricultural prices than the other parts of Canada.

Comparisons of Revenue

The comparative agricultural revenue of Canada for two years past has been as follows:

Gross Revenue From Farms

	1921	1922
Field crops ..	$931,865,000	$962,526,000
Farm animals .	98,424,000	77,548,000
Wool	2,975,000	3,180,000
Dairy products	250,000,000	250,618,000
Fruits & veget.	59,428,000	55,855,000
Poultry & eggs	51,363,000	58,815,000
Fur farming .	1,487,000	1,504,000
Maple products	5,751,000	5,576,000
Tobacco	2,393,600	4,548,000
	$1,403,686,000	$1,420,170,000

The 1921 and 1922 production by provinces was as follows:

	1921	1922
P. E. I.	$19,200,000	$16,146,000
Nova Scotia	52,346,000	45,626,000
New Brunswick.	44,892,000	39,370,000
Quebec	324,462,000	271,764,000
Ontario	446,064,000	435,231,000
Manitoba	97,445,000	120,480,000
Saskatchewan ..	248,980,000	322,457,000
Alberta	120,492,000	125,582,000
British Columbia	49,805,000	43,514,000

Prairie Provinces Up

It will be noted that the three prairie provinces alone increased the value of their 1922 production over 1921.

Largely due to a fall in the value of livestock the gross agricultural wealth of Canada declined in 1922 by $56,561,000 to $6,774,461,000. The comparative agricultural wealth of Canadian provinces is as follows:

Prince Edward Island ....$	72,138,000
Nova Scotia	186,633,000
New Brunswick	146,850,000
Quebec	1,233,429,000
Ontario	1,878,423,000
Manitoba	657,269,000
Saskatchewan	1,555,652,000
Alberta	733,174,000
British Columbia	270,893,000

The figures include land, buildings, machinery, etc.

THE IDENTISCOPE

An Identiscope, an entirely new device for safeguarding customers, was used for the first time by any bank in the United States at the opening of the 51st Cleveland Trust Co. branch at Woodland Avenue.

The Identiscope is a small, quick action camera in combination with a 1,000 watt electric lamp. The safe deposit customer sits in a chair which is fastened in focus. The operator touches a button and in one second the negative is made. The print is of the passport size and is added to the regular signature card, making mistakes of identity almost impossible, and supplementing the signature.

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Capital Paid up $15,000,000
Reserve Fund $15,000,000

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)
April 30, 1923

Head Office
MONTREAL

LIABILITIES

Capital Paid up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,007,514.19
Notes in Circulation	27,939,911.54
Deposits	424,210,992.82
Due to other Banks	15,378,723.05
Bills Payable (Acceptances by London Branch)	6,424,346.83
Acceptances under Letters of Credit	3,954,685.30
	$519,716,173.73

ASSETS

Cash on Hand and in Banks	$115,360,885.03
Deposit in the Central Gold Reserves	10,000,000.00
Government and Municipal Securities	41,654,843.54
Railway and other Bonds, Debentures and Stocks	12,008,973.99
Call Loans in Canada	15,282,652.72
Call Loans elsewhere than in Canada	44,244,080.74
	$238,551,436.02
Loans and Discounts	262,424,938.39
Liabilities of Customers under Letters of Credit as per contra	3,954,685.30
Bank Premises	12,082,215.22
Real Estate other than Bank Premises	1,544,077.19
Mortgages on Real Estate sold by the Bank	138,821.61
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$519,716,173.73

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An average sale of over $18,000 per call.

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News and Views for Investors

MINING CORPORATION

The Mining Corporation of Canada is now producing close to 200,000 ounces of silver from its Lorraine properties. April output was 183,513 ounces. It will diamond drill some of its holdings to pick up the strike of the veins. The corporation has over 400 acres in the camp.

BRITISH EMPIRE STEEL

The big Eastern steel group is running well ahead of last year. Coal shipments are almost half a million tons ahead of 1922 and earnings have shown a large enhancement—estimated at not far short of a million dollars. The placing of the contract for about $8,000,000 of coal for the Canadian National Railways with the British Empire Steel Corporation is essentially a bright factor.

ASBESTOS CORPORATION

Asbestos Corporation of Canada are experiencing an exceptionally good demand for their short fibre asbestos due to the activity in the building trade. So far the demand for the long fibre has not shown any particular improvement but is holding steady. It is understood that the profits of the corporation are being derived at present from the short fibre sales and should the demand for the long fibre show improvment, the company is in a position to benefit very largely.

DOME OUTLOOK

An official statement from Dome Mines office in New York states that production since the end of April has been averaging $15,000 a day and unless a strike is called the month of May should be one of the best months on record. Dome is able to get all power necessary for record production and labor problem is now the only serious factor facing the Porcupine property. Owners are sanguine that labor problem will be solved without a strike.

ALABAMA TRACTION

There is a good deal of interest in Alabama Traction stock in Canada and the security is likely to be listed in Montreal when further progress is made on the construction developments now under way. The power schemes of the company are gigantic. The company has an installed generating capacity of over 310,000 horse power but each year sees this figure grow. The company is in the heart of a new industrial district growing up in the South and is close to the much discussed Muscle Schoals power development of the United States Government, and in fact during the war supplied the power for the nitrogen manufacture at Muscle Shoals. The company is in strong and capable hands. It was inaugurated by the group that started the Rid de Janei and Sao Paolo companies that are now in the Brazilian Traction group and the president is Sir Mackay Edgar, British-Canadian financier.

C. P. R. CONTROL

That control of the C. P. R. is still in Great Britain is pointed to in Greenshield's Review, pointing to the following table as compiled for 1921 from President E. W. Beatty's report at the annual meeting of that year and for 1913 and 1910 from statements given out by the then president, Lord Shaughnessy. In 1921 figures are exact as to total shares and the percentage of distribution that they represent. The 1913 and 1910 figures are based on Lord Shaughnessy's statements as to the approximate percentage distribution of the stock, with the percentage worked out in shares on the basis of the issued capital in each year:

	March 1921 Shares	March 1913 Shares	March 1910 Shares
Unit. King.	1,242,837	1,560,000	1,170,000
Percent .	47.80	60	65
Canada . . .	460,838	299,000	180,000
Percent .	17.73	11.5	10
Unit. States	626,510	299,000	180,000
Percent .	24.10	11.5	10
Ot. countries	269,815	442,000	270,000
Percent .	10.37	17	15

There are several interesting features to these comparisons. For one thing, the margin by which C.P.R. is British controlled, while not as great as in 1910 or 1913, is still substantial. Further, the appearance of the government as a competitive factor in our railroad situation, so far from diminishing Canadian confidence in C.P.R., has been accompanied by a great increase in Canadian holdings of the company's stock. These holdings in the aggregate are approximately two and a half times as great as in 1910, and this is without allowance for the very considerable amount of C.P.R. that is always carried in New York for Canadian account. As compared with the year immediately before the war Canadian holdings have increased 161,838 shares, which means an additional $1,618,380 remaining in Canada from dividends.

BRAZILIAN

Brazilian has been weak of late, while trading in the issue has been fairly heavy in view of the almost neglect of other issues. The weakness is partly attributed to the decline in milreis to 10.3 cents, a low record since July, 1921. This is 19% of par, 32% of pre-war rate, and 43% of reduced par standard which the government proposes to establish as soon as circumstances permit. The chief reason for the slump is probably increase of paper currency in circulation. When President Bernardes took office in November volume of currency was reported to be 2,226,000 contos or reis (one contos equals 1,000 milreis). This included Bank of Brazil issues on account of rediscounts. Present circulation is said to be 2,300,000 contos in treasury notes and 310,363 contos in Bank of Brazil paper, a total of 2,610,363 contos of reis, representing an increase of 17.3%. In 1922 Brazil's export surplus was £19,386,000, or an average of £1,615,500 monthly. Brazil requires at least £2,000,000 monthly to cover foreign debt service and other remittances abroad. In January and February of this year monthly average was £2,091,128, or just sufficient for current needs. Exchange was maintained fairly steady around 11½ cents, but the months of March to June mark the quiet season for coffee, and it is extremely improbable that this balance or anything like it, has been registered since February. Consequently April and May are extremely critical months for the Brazilian government, especially when, as has now been the case, the old coffee crop has been small and the new one is late. The political situation continues unsettled.

MINERS DOMINATE ASBESTOS MINES

Put Head of One Concern on Train and Tell Him Not to Return

Reports from Thedford, Que., are that a deplorable state of affairs exists at the Asbestos camp. The miners have assumed a position of dominance and not liking Capt. C. H. McNutt, of the Asbestos Corporation, are alleged to have put him on the train and told him not to return if he valued his life.

The miners then specified who was to take control of the plant. He declined and so matters have been running along.

Capt. McNutt is not the first mine head who has been so treated by the miners. Mr. Angus, of North Bay, some time ago received the same treatment. He and his wife were escorted to the train.

There are nine properties working in the camp, 6 at Thedford and 3 at Black Lake. Last week-end 60 mines went on strike, presenting fresh demands. These were rejected by the companies and the men returned to work.

The companies threaten, that if the conditions bordering on lawlessness continue, they will shut the properties down completely.

GRANBY ABSORBS ALLENBY

At a meeting of the directors of the Granby Consolidated Mining, Smelting and Power Co., Ltd., absorption of control and 90 per cent. ownership of the Allenby Copper Co. by Granby was completed. The Allenby Co. was formerly known as the Canada Copper Corporation.

AN UNBALANCED BUDGET IS MOST SERIOUS FACT

(Continued from Page 1)

effectively and cheaply. Politics prevent anything drastic in this direction. There is lack of that courage in evidence which would take hold of the government departments and reorganize them as private business would be reorganized under like circumstances. Besides it would be unpopular from the vote-getting standpoint to cut the ranks of those who get government pay envelopes.

On the point of paring it would seem that in some respects things have been carried too far. It is pointed out, for instance, that it would undoubtedly be good business to spend a million or so on a government departmental building to house various branches now spread all over the city. Over a period of even five years such an investment would be a paying one for the country. But it is felt that it would be bad politics for the government to spend money in Ottawa when the demands for new public buildings for Hog's Hollow or shipping facilities for Pike's Pond are being refused. Likewise while staff efficiency could be increased by a policy of superannuation the political effect would be dangerous when demands for pensions would follow from all parts of the country.

Under the circumstances taxpayers must evidently look to Sir Henry Thornton for relief, at least until more courage is displayed on the administration end.

BREAK IN MINING ISSUE FEATURED WEEK'S TRADING

New York Trading Was Cause of Heavy Decline

OTHER LIST QUIET

Gotham Bear Movement Has Dominated Canadian Lists —Some Special Issues in Demand

The success of the bear movement at New York has completely dominated the local markets with the result that the Toronto and Montreal lists have been weak and somewhat neglected. The feature of the week has been the severe break in the leading mining stocks and this is also attributed to New York. The best advice obtainable is that there is a change pending among directors of Dome. It is believed that the director in question disposed of his large holdings. This caused the first severe break in the issue. The break was so sudden and large, coming in one day, that it hit a large number of lightly covered marginal accounts and this resulted in the further liquidation, and thus the shaking out has continued. The break in the other leading mining issues is generally considered to have been in sympathy with the Dome movement. It is to be noted that the rest of the mining list has practically maintained its position while a few of the smaller gold issues have shown signs of considerable strength and buying power.

Earlier in the week the Canadian lists showed considerable buoyancy. Prices in a number of cases showed fractional advances while the majority of the others held their ground. Declines were few. Some of the steels were in demand, while several of the specialities moved up. The industrials showed a tendency to shade. Some of the traction and utility issues held up and were in fair demand. Paper issues have stood up excellently and some of them show fractional gains. Strictly investment stocks have remained steady and at times there has been considerable buying.

Oils have been weak which is purely a New York reflection although at the present time the tendency is to strength.

Bond trading has been pretty light.

One leading broker pointed out that the period of depression on the market is generally considered the time to buy. As Hayden and Stone, New York, put it, it is the time that issues pass from weak to strong hands. Another adds that it is always argued that the time to buy is on a declining market and sell on a rising market. However, there is always the point to gauge as to when the market is near the bottom. In the past week many thought Dome had reached the bottom and bought heavily. The next day it went lower. Here is how Hayden and Stone size the matter up:

> "While the market continues to give the impression of weakness, there has not been now for ten days any severe decline. It is during such quiet periods discouraging to the average speculator, that the best kind of buying takes place. It is always popular to say stocks are passing from weak to strong hands. Until recently this was not the case, but we are inclined to think that it is so to-day. While earnings have been somewhat impaired by higher labor costs, they have by no means disappeared. A good deal depends on the crops, which it must be admitted have not had a very auspicious start, but granting a fair yield here, there is basis we believe for a very fair return in the next few months.

Tonopah Lends Crews to Kirkland Properties

The Tonopah of Nevada has sent a crew of miners in to work the three big groups in Lebel Township, Kirkland Lake, on which it has agreed to spend the necessary money to bring them to the producing stage if developments justify. The King-Kirkland shaft is to be deepened and about 2,000 feet of lateral work done at 1,000 feet, in addition to a continuation of the work started by the King-Kirkland Company at the 400-foot level. On the Moffatt-Hall and Wood-Kirkland exploration will be confined for some time to the surface.

MAKE SILVER FIND

The Continental Mines located a big vein fracture at a depth of 1,000 feet on the company's Colonial Mine at Cobalt, and encouraging patches of silver have been disclosed. The area of vein fracturing is believed to be wide and the company may be on the right track.

SINKING ON GOLDALE TO 1,000 FT.

The Goldale shaft is now being sunk from 500 to 1,000 feet. The Kerr Lake management is making good time at the task and have now reached 1,000 feet.

Muskoka is Facing a Very Busy Season

At the annual meeting of the Muskoka Lakes Navigation & Hotel Co., Ltd., operating the Royal Muskoka Hotel and ten steamships, Major Hugh C. MacLean, president, presented the shareholders and directors with a favorable financial statement for the past year.

In his address the president said in part: "You will all be gratified to learn that the bookings and prospects for a busy season in Muskoka have never been so numerous and so encouraging." The usual dividend of six per cent. will be paid and the company was shown to be in the possession of steamers, hotels and real estate in the very best of repair due to careful and skillful management.

WARM LIGHT RAIN AND SUNSHINE THE NEED OF PRAIRIES

(Continued from Page 1)

spring plowing and what they will follow.

Indications are that the percentage of land held out of seed owing to the spring floods will be very small. There will be a material increase in acres seeded to corn, alfalfa, and sweet clover, while there will apparently be quite an increase in flax, a number of points stating that decrease in wheat acreage will be put in flax. The only real serious drawback in the report is the very general poor condition of pasture and hayland. Grass is almost universally late, being delayed by cold days and frosty nights and this has complicated the food situation at a number of points and is affecting the supply of cream for creameries. Some apprehension is felt as to shortage of hay unless warm rains bring grass forward rapidly in June. This may be overcome to some extent by the seeding of oats and spring rye for hay.

Supply of labor is pretty fair though a good many districts report scarcity. The average wage seems to be about $45 with board, while the maximum reported from any one district is $75 and the minimum $25. A number of districts report the farmers as having dispensed with hired help owing to the price and the women of the farm are running the drill and harrows. The outlook by provinces:

Report By Provinces

Manitoba:—91 points queried and 78 heard from. Of these 54 had completed seeding by May 10, all other points are reported 80 to 90 per cent.; sounded late enough. Twenty-two gave acreage same as 1922; six points increases of 5 to 30 per cent.; nineteen decreases of 10 per cent. and 21 decreases of 20 to 25 per cent. The total acreage in wheat last year in Manitoba, according to the Dominion Census Bureau report issued in June, was 3,125,556 acres. Practically every point reporting decrease in wheat acreage reported increase in coarse grains and fodder crop. Of all the provinces Manitoba seems to have the best supply of moisture and only one point reports seed bed as anything but "good," "ideal," "excellent," "fine" and the like.

Saskatchewan:—In this province 154 points were queried and 136 heard from, of these 54 reported wheat seeding complete, the balance 80 to 95 per cent. complete by May 19. Forty-seven points showed no increase in acreage of wheat; 36 showed increase of from 3 to 30 per cent.; 34 showed decrease from 5 per cent. to 20 per cent. The total acreage in wheat last year was 12,332,297 acres. Where wheat acreages were decreased they will be filled by coarse grains, flax, spring rye and sweet clover, corn and sunflowers, only a very few reporting that decreased acreages were held out for summer fallowing. While Saskatchewan generally reports good enough moisture to germinate seed well, she has a number of points that would like rain immediately; that it is needed to bring sub-surface moisture to the roots of the wheat; she reports a well rooted crop. A few points mention grasshoppers as hatching but report that country is organized and little trouble anticipated. More points in Saskatchewan report scarce labor. A number of points report the farmers as "optimistic" if warm rains between now and June 1st.

Alberta:—Conditions in Alberta are reversed from their usual order and the south is reporting a very generally good supply of moisture. The north is again much dryer than her farmers like and feed shortage from delayed pasture is more acute in the northern half of Alberta than elsewhere. There were 77 points queried and 67 heard from. 36 reported wheat seeding completed; the balance reported from 80 to 95 per cent. seeded; 24 points reported no increase in acreage; nineteen reported increases of from 3 to 20 per cent.; 18 points reported decreases from 5 to 50 per cent., and only one point reported a 50 per cent. cut. The total acreage in Alberta seeded to wheat in 1922 was 5,765,595. The seed bed was generally reported good. Frequent reference was made to the cultivation being the best in many years and many points such as Nobleford and Lethbridge report plenty of moisture; indeed the whole south country with one or two exceptions is in the best condition since 1915. In the north, however, there is a very general rain needed, a number of points reporting that while there was enough moisture to germinate the seed the fact that no rain has fallen since is retarding growth. In Northern Alberta the feed conditions for stock are serious, but even there one good warm soaking rain would speedily set matters right. Alberta shows coarse grain seeding complete at a number of points and also indicates the best supply of labor. A number of points more especially in the south report crops growing fine and wheat 3 inches high.

Mining Stock Quotations

Week Ending May 21st

	High	Low	Close	Sales
Algonquin . .	6	—	—	1,000
Atlas	8	7¾	7⅞	14,500
Argonaut . .	86	78	79¾	52,300
Baldwin G. .	13½	12	12	38,000
Beaver	41	39	39	68,000
Bidgood	21¾	18½	19	22,500
Buckingham .	35	32	33	103,000
C. Tretheway	27½	25½	25½	22,500
Ch'put H'ghes	8½	—	7½	1,500
Beatty	24	21	23½	68,000
Coniagas . . .	3.00	2.95	2.75	1,115
C. West. D'me.	36	30	31	100,300
C. Smelters. . .	26⅜	25	26	864
Clifton . . .	27	22¼	23¼	80,000
Col. Kirkland	16	15	16	33,500
Cr. Reserve .	74	71	71	64,595
Churchill . .	10½	—	—	2,000
Davidson Ex. Rights.	6¼	—	6¼	11,000
Dome Mines .	41.00	35.25	35.75	11,811
Dom. Kirkl'nd	2⅝	2	2	12,500
Gold Reef . .	3	—	—	4,000
Goldale	45	43	45	14,900
Hattie	38	35	36	45,000
Hillcrest, pfd.	90½	—	—	41
Hollinger . . .	13.00	12.05	12.05	10,239
Hunton	14½	13⅝	14½	60,000
Inspiration .	9½	—	9½	500
Keora	15½	13½	15½	36,500
Keeley	1.98	1.79	1.87	3,900
Kirkl'nd Lake	50	49	48	4,200
La Rose	38½	34	34¾	37,000
Lake Shore . .	3.50	3.30	3.35	5,900
Lorrain	31½	28½	25½	89,450
Montreal, Ont.	47	46½	47	10,000
McEnaney . .	36½	34	35	8,000
McIntyre . .	19.90	18.00	18.00	7,955
McK. D'rr'gh	196	18	18¼	14,500
Mining Corp. .	3.01	2.80	2.80	1,360
Moneta	23½	21	21	38,500
Newray	43	38	39	61,350
Nipissing . .	6.00	5.90	5.90	1,200
Ophir	2¼	—	2¼	4,500
Petrol	11	—	—	1,000
Peterson L'ke	11⅝	11¼	11¼	8,000
Porc. Cr'wn .	14½	14	14	1,500
Pres. E. D'me	14	13¼	13¼	77,000
Teck Hughes	1.46	1.32	1.33	141,150
Timiskaming .	44½	41	41	23,000
Columbus K. . .	16	—	—	11,500
Thompson Krist	5	4¾	4¾	6,500
Vickers	32	29½	31¾	40,000
Vipond Cons.	74	70	72	33,200
Wakenda. . . .	7½	6⅝	7½	9,500
West Tree . .	38,600	9¼	9¼	38,600
W. Hargeaves	3.48	3.39	3.39	1,200

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Bonds of any staple industry attract investors because of their element of safety. The First Mortgage 6½% Gold Bonds of the Western Quebec Paper Mills Limited, however, present, in addition to the usual features of industrial bonds, a further attraction in their unconditional guarantee as to principal by the Travellers Life Assurance Company of Canada, which, combined with the Company's fixed assets of $310,000 doubly assures the investor as to the safety of these bonds.

In addition to this unusual guarantee there is created under a trust deed a special reserve equal to two years' bond interest placed in the hands of the Trustee, the Montreal Trust Company, with a further stipulation that no dividends can be paid on capital stock unless the company's net earnings in any year are equal to three times the required bond interest except in years when there is a surplus equal to five years' bond interest.

The Western Quebec Paper Mills' plant is located at St. Andrews, Que., on the North River, with excellent shipping and power facilities.

The company is manufacturing fine, thin papers—a product in constant use in stores, homes, factories and offices—and its initial output of 1,800 tons per annum is nearly all under contract at present.

The net earnings for the first year on this basis are estimated at $65,000—more than three times the required bond interest.

This is an unusual investment opportunity at an attractive price, yielding 6.75% and supported by most unusual guarantees of safety.

Write, telephone or telegraph for full particulars.

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Yield, 6.50%

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DANGER OF STRIKE IN PORCUPINE CAMP HAS NOW PASSED

Strike Vote Recently Taken Shows Few Men Interested

OUTPUT INCREASED

All Mines Are Now Handling Maximum Tonnage—Some Important Developments

The Empire Gold Mines is the name of the company that will operate the Whelpdale in Porcupine. Boston interests associated with the Crystal Copper Co., of Butte, Montana, and owners of the Paymaster of Porcupine, purchased the Whelpdale which is well located in Porcupine, being 1,000 yards from the Hollinger and half that distance from the McIntyre. There is a very complete little plant on the property and the shaft is down 116 feet. Surface work has shown eleven veins on surface, the strike of which would indicate that it is a parallel system of that of the big mines.

No Danger of Strike

There is no danger of a strike at Porcupine. The miners' strike vote showed that only a small percentage of men are at all interested and now as a last resort the agitators are appointing a committee to meet the managers. In the meantime all the mines are driving ahead and production is now at the maximum point, all the large producers handling their full tonnage.

Castle Trethewey shaft is down to the 575 ft. level and a station is being cut at 550 ft. Work will proceed here to open up the good ore cut on the 450 ft. level. A heavy tonnage of ore is said to be in sight.

Keeley has not started to mine its big shoot of highgrade, as production is easily maintained from other sources. The big shoot is the one encountered some weeks ago which measures 4 to 5 ft. wide and runs 5,000 to 7,000 ounces to the ton.

New York reports a wide divergence of opinion on the silver outlook as to what will happen when the dollar per ounce purchases under the Pittman Act end.

A large number of forecasts are currently made, ranging from 50 to 80 cents, as forecasts for the open market price of silver when the artificial peg is withdrawn at the end of next month. Most dealers take the attitude that there is nothing at all to be worried about in the silver situation, and that from present indications, there will be a sufficient demand to keep production going at a fair pace.

Goudreau has optioned six more claims situated near Herman Lake, and the surface in which E. A. Wright is interested has a vein where assays range up to over $40 to the ton.

Drill in Lorraine

The Mining Corporation is engaging diamond drills for the purpose of exploring the formation on its property in South Lorraine. An extensive campaign of work has been mapped out and drilling will commence immediately. In the meantime the development work at the 300 ft. level of the Haileybury-Frontier section of the holdings of the Mining Corporation is disclosing conditions that border on the sensational.

Lake Shore is making ready for the excavations of its new mill. Part of the equipment has been placed on order, and the company will take full advantage of summer months for carrying out ~~the construction~~ and installation. The base or foundation for the new steel head-frame is being finished, and the erection work will commence shortly. The main shaft is now down to 700 ft. By fall when the new mill is ready, not only will the highly developed 200, 400 and 600 ft. levels be available for production, but the work at the 800 ft. level will probably have advanced to a point where it will also be a big source of output.

Development has been commenced on two new deep levels on the Wright-Hargreaves mine, the station work having been completed, and the cage lowered to a depth of 1,000 feet. Lateral work is now under way at the 850 and 1,000 ft. levels, and bids fair to soon commence piling up still greater resources in ore. While this deep work has been going on, the development work on preceding levels has been kept up. Large tonnages have been developed at the 550 and 700 ft. levels, while work in a drift at the 400 ft. level toward the Lake Shore recently disclosed some exceptionally good ore. The mill is handling an average of approximately 225 tons of ore every twenty-four hours, and production is being maintained at normal rate. The number of men engaged and the tonnage being handled tends to show that costs of operation are being held down to exceptionally low figures.

Porcupine Davidson

The recently concluded diamond-drill campaign on Porcupine Davidson indicates the presence of a larger body of ore between 500 and 1,000 ft. levels. The average value from core assays is $9.24 per ton or a total value of $6,470,000.

This estimate excludes all ore indicated between drills placed more than a certain recognized distance apart, although thereby the fact that the main ore body extends for a distance laterally of 2000 ft. has been established.

As the company's consulting engineer, Lt.-Col. Rowland C. Fielding, A.R.S.M., M.Inst.M.M., estimated the tonnage disclosed in the levels driven from the existing shaft down to the 500 ft. level as having a gold value of $3,850,000 averaging 11 cwts. per ton. The total value of the ore indicated by development to date is $10,320,030, averaging $10.12 per ton.

Tenders for the new shaft to be sunk to 1,000 ft. are now being invited. Within a few days—when the detailed plans for the 500 ton mill will be ready—tenders for the construction of the new mill will also be invited. Shaft sinking has been delayed by reason of lack of power, but now a contract with the Great Northern Co., Indian Shutes, has been signed and power will be available by June 15th.

Ten Million Increase in National Earnings

From Our Own Correspondent.

MONTREAL.—While the latest net earnings figures of the Canadian National lines were not particularly satisfactory in that they covered the early months of the year when operating expenses were high, the gross earnings figures are now going ahead very rapidly. The increase in gross earnings for 1923 over 1922 has already passed the $10,000,000 mark.

The gross earnings of the Canadian National Railways for the week ending May 14th, 1923, were $4,812,088, being an increase of $906,376 or 23 per cent. The gross earnings of the Canadian National Railways from January 1st to May 14th, 1923, have been $81,727,318, being an increase of $10,333,707, as compared with the corresponding period of 1922.

ENGLAND WANTS B.C. FRUIT

Victoria, B.C.—England is asking for Canadian canned fruits from the most westerly part of the Dominion, Vancouver Island. A local canning factory was recently asked by a London firm if they could make shipment of 50,000 cases of canned loganberries. There is a considerable quantity of loganberries produced on the Island, and it is hoped that a permanent trade in this commodity may be developed with England.

BELIEVE WEST HAS DEFINITELY TURNED CORNER

Many Hopeful Signs of Changed Conditions on Prairies

BRITISH MONEY

Leading Winnipeg Men Find Bright Prospects in England—Farmers' Position Better

From Our Own Correspondent.

WINNIPEG.—So many hopeful signposts have been set up recently that it is openly questioned by observers of the business trend whether the West is in as bad shape as it has been painted. There are those with whom THE FINANCIAL POST has discussed the outlook who believe that the West has definitely turned the corner. This is by no means predicting a boom.

Briefly some of the more cheerful elements in the new situation may be summarized as follows:

1. A fresh inflow of English capital.
2. Influx of new settlers.
3. Liquid position of farmers.
4. Less bank borrowing.
5. C. P. R. amortization of land payments' plan.

That London is preparing to export capital in fair sized blocks to Canada, is an opinion that is coming to be shared by more and more well informed individuals. W. R. Allan, president of the Union Bank of Canada, after four months in England, returns to Winnipeg hopeful of a new tide of English funds for investment in this part of the Dominion. Sir Augustus Nanton, one of the C. P. R. directors, who spent most of the winter season abroad, too, concurs in a similar view. Mr. Allan says he found in London a keen desire on the part of large financial houses to participate again in the purchase of high grade Canadian securities and he feels that as soon as exchange will permit our securities will readily be marketable in England. Sir Augustus Nanton expresses the belief that the lifting of the Manitoba moratorium on mortgages will tend to release previously timid British funds, particularly in view of the satisfactory reports now being issued by various companies with regard to collections.

A Substantial Flow

It is improbable that London will immediately assume its pre-war position as Canada's premier banker for the reason that the United States has in the last eight years become strongly entrenched in this regard, and continues, fortunately, to look with favor upon our securities as a form of investment. But there seems increasing reason to look for a substantial flow of capital from England to this country, a flow that will undoubtedly continue to be augmented as Canada continues to adjust her economic position.

This year's settlement of unused western land is not proceeding rapidly but the incoming of such groups as the very considerable party of immigrants from the Hebrides which came West during the past fortnight and is now settling in the Red Deer, Alberta district, cannot but prove significant in the final analysis. The glamour which surrounded the Swiss settlement movement has been somewhat dimmed since the Manitoba Free Press expose that these "settlers" were, according to admission of one of their own number, merely birds of passage, seeking entry within the coming year to Pacific coast states. In the main, however, it would appear that the Canadian West is getting quality if not quantity this year in its new settlers and, of course, every new family increases by that much more the productive powers of idle acres.

Cash and Carry Basis

The liquid position of supposedly hard-up farming communities has been something of a revelation. It becomes immediately patent that the farmers have been carrying more of the proceeds of the 1922 crop in their "jeans" than had previously been supposed. The result is that they are operating with the opening of spring upon a "cash and carry" basis. THE FINANCIAL POST was informed that at least one important implement concern had experienced more cash business this season than any recent season. Branch bankers in their returns to Western bank executives report the ready disposition of farmers at the various auction sales, etc., to display "wads" of green backs; immediately disclosing their capacity to carry out cash transactions.

There is less and less tendency among the agriculturists to incur debts. This fact in itself is one of the healthiest signs. If the period of stress through which the country has been passing has taught farmers the value of thrift it has served a real mission. Branch managers tell THE FINANCIAL POST that there is not as strong a demand for bank loans as there was a year ago. There are said to be few instances where seed grain loans are necessary this spring.

Interest Payments

Evidence of the strengthened financial position of the western farmers is further shown in the interest payments reported by the various loaning agencies in Winnipeg. Sir Augustus Nanton, speaking for the firm of Osler, Hammond and Nanton, and the different financial companies which this firm represents, says that the interest payments for the last crop year show an increase of more than 25 per cent. over two years ago. Coupled with the collection statement made recently by the Great West Assurance Company this appears to indicate that the farmers have liquidated a substantial portion of their indebtedness and are starting the present season in a stronger financial position. It has, of course, not been the policy of lenders to press borrowers unduly through the past winter season.

The C. P. R.'s new plan for the amortization of payments on farms is regarded as one of the most important farm financing structures that have been set up and there is unanimity of banking opinion here that it will have a distinctly helpful effect in correcting the western situation. Winnipeg bank executives consider the C. P. R. plan immeasurably improves the credit position of western agrarians.

STOCK MOVEMENTS OF THE WEEK

Week Ending May 21

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	200	196	199	197	197	105
Dominion	12	197	195	199	197	197	37
Hamilton	12	168	167	168	167	167	47
Hochelaga	10	147½	—	147½	147½	147½	13
Imperial	12	182½	181	182½	181⅞	181⅞	36
Molsons	12	176½	176	176½	176	176½	62
Montreal	12	248	—	248	247	248	163
Nova Scotia	16	264	—	262½	262	262	6
Royal	12	220	219	220	219	219¼	74
Standard	14	209	208	208½	208	208½	41
Toronto	12	—	186	187	186	186	12
Union	10	134	132	136	132	132	195
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper, com.	4	64¾	64	66⅜	64¼	64½	2567
American Salesbook, com.	—	35	—	35	35	35	131
Do., pref.	7	90	89½	90	89	89½	59
Asbestos Corporation, com.	6	62¼	62	64¼	62⅛	62⅛	354
Do., pref.	7	84	—	84⅝	84	84	55
Atlantic Sugar, com.	—	19	18	20	19	19	255
Barcelona Traction	—	17½	17⅛	17⅞	17¼	17¼	605
Bell Telephone	8	121¼	120¾	121½	121	121½	580
Brazilian Traction, com.	4	48⅜	48¼	49¼	47⅞	48	2860
B. C. Fishing	—	18	16	16	16	16	20
British Empire Steel, com.	—	8¾	8	8½	7¾	8½	905
Do., 1st pref.	7	68	67	68	67¼	68	617
Do., 2nd pref.	—	24½	23½	26¼	21¾	24	6371
Brompton Pulp	—	40	39½	40½	39½	40	637
Burt, F. N., com.	10	134	—	134	134	134	8
Canada Bread, com.	—	56	—	57¼	55½	55½	215
Do., pref.	7	95	94½	95	95	95	150
Can. Car & Foundry, com.	—	31	29	30	30	30	30
Do., pref.	—	74	72	73¾	72	72	180
Canada Cement, com.	6	83	82½	83½	82½	82½	801
Do., pref.	7	—	101	103	101¾	102	266
Canada Steamships, com.	—	17	16	17	16½	16½	173
Do., pref.	—	51	50	51	49½	50	641
Canadian Converters	7	—	95	96	91½	91½	68
Canadian Cottons, com.	8	—	118	119½	119	119	62
Do., pref.	6	92	91	92	91	91	45
Can. General Electric, com.	6	101	100½	103⅝	100	101	2474
Canadian Locomotive, pref.	7	98	96½	96½	96½	96½	16
Canadian Pacific Railway	10	154	153	155	155	155	10
Carriage Factories, com.	—	3	—	3	3	3	15
City Dairy, com.	10	143	140	143	140	140	25
Do., pref.	7	105	104½	104½	104	104	17
Consumers Gas.	10	159	158½	159	158½	158½	101
Detroit United Railway	6	75½	74½	76	75½	75½	295
Dominion Bridge	4	75	74	74	74	74	20
Dominion Canners, com.	—	32	30	32	31	31	75
Do., pref.	7	—	87	87¼	87	87⅛	27
Dominion Glass, com.	7	98	97	97½	97	97	200
Do., pref.	7	103	102½	102½	102¼	102½	95
Dominion Textile, com. (new)	4	69½	68	70	68	68⅛	710
Do., pref.	7	—	110	111	111	111	5
Dominion Steel Corp., pref.	6	77¼	75	77	75	75	192
Duluth Superior	—	38	37¼	37¼	37	37¼	160
Goodyear Tire, pref.	7	93½	93	93½	93	93	57
Illinois Traction, com.	—	—	52½	54¼	52½	52½	135
Do., pref.	6	89½	89	89	87	88	501
Interprov. Brick, com.	6	—	67	67	67	67	18
Lake of Woods Milling, com.	12	176	175	176½	175	175	67
Do., pref.	7	—	116	116½	116	116½	12
Laurentide Paper	6	94	93¼	94	93	93	1083
Lyall Construction	—	40	35	39½	39½	39½	5
Macdonald, A., com.	—	8	—	8	8	8	30
Mackay, com.	7	110	—	112	110	110	270
Do., pref.	4	—	68	68¼	68	68	53
Maple Leaf Milling, pref.	7	101½	100½	101½	100¼	101	105
Montreal Light, Heat, Cons.	6	122	121¾	123	116½	121¼	6797
National Breweries, com.	4	—	50	50¾	50	50	385
Do., pref.	7	95	—	94¾	94¾	94¾	65
Ogilvie Flour, com.	12	305	—	305	304	304	34
Ontario Steel Products, com.	—	43½	—	43½	43½	43½	1
Do., pref.	7	84⅝	84½	84½	84½	84½	4
Ottawa L., H. & Power, com.	6	85	—	84	84	84	15
Pacific Burt, com.	6	107	105	107	105	107	155
Do., pref.	7	—	106	106	106	106	11
Penmans, com.	8	—	155	155½	155	155½	40
Price Brothers	2	—	43½	43¾	43½	43⅜	145
Port Hope Sanitary, com.	—	57	—	57	55	57	200
Do., pref.	7	89	—	89	88½	89	20
Provincial Paper, pref.	7	97	—	96½	96½	96½	20
Quebec Railway	—	24	23½	25¾	23½	24	2697
Riordon Pulp, com.	—	3	2	3⅛	2¼	2½	1275
Rogers, Wm., com.	—	68	—	65	65	65	50
Do., pref.	7	—	90	90¼	90	90	20
Shawinigan	7	119	118½	119½	116½	116½	1597
Sherwin-Williams, pref.	7	—	100	100½	100½	100½	10
Spanish River Pulp, com.	7	93	91	93	91	91⅛	701
Do., pref.	7	102	100	101½	100	101	645
Steel of Canada, com.	7	75	74	75½	74½	74½	649
Do., pref.	7	101	100	101⅛	101	101	65
St. Lawrence Flour, com.	6	—	60	65	65	65	70
Do., pref.	7	92	—	92	91	92	15
St. Maurice Paper	5	105¼	—	106	103	105	470
Tooke Bros., com.	—	—	15	15	15	15	10
Toronto Railway	—	83	82½	83¼	82¼	82¾	830
Tuckett Tobacco, com.	4	55	52	54	53½	53½	210
Do., pref.	7	96	—	95	95	95	15
Twin City, com.	—	65½	64½	66	65	65	462
Do., pref.	7	—	100½	100½	100½	100½	30
Wayagamack Pulp	—	56	55	56	55	55	35
Western Canada Flour	8	110	106	106	106	106	20
Winnipeg Electric, com.	—	35	34	36	34	35	396
Do., pref.	7	86	84½	85½	85½	85½	1
Mexican Light, com.	—	23	21	22	22	22	10
Cuban Can. Sugar, com.	—	—	7	7	7	7	10
Do., pref.	—	40	—	39	38¾	38¾	120
Can. Landed	10	81	78	80	80	80	4
Can. Permanent	12	—	185	186	185½	186	60
Toronto Gen. Trusts	12	—	202	202	202	202	2
Toronto Mortgages	10	81	80	81	81	81	35

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CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter, reported by the Consolidated Mining and Smelting Company for the period May 8 to May 14, amounted to 9,918 tons, 9,009 tons of which were produced by the company's mines. From January 1, to May 14, the receipts were 174,771 tons.

SOUTHERN CANADA POWER

The following are the gross and net earnings of the Southern Canada Power Co., and its subsidiaries for the month of April and for the seven months ending April 30, as compared with the same period of last year.

	Apr., 1923	1922	Increase
Gross	$ 79,999	$ 65,716	$ 14,282
Op. exp. & pur. pow'r	33,813	30,242	3,571
Net	$ 46,185	$ 35,474	$ 10,711
	7 Months Ending April 30th		
Gross	$ 547,466	$ 498,773	$ 48,693
Op. exp. & pur. pow'r	240,718	214,001	26,716
Net	$ 306,748	$ 284,772	$ 21,976

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain 7% pfd	92¼	94½
Do., com.	106	112½
Belding Paul, pfd.	87	90
Canada Mortgage	67	..
Can. Westinghouse, com	129	133
Can. Machinery, pfd.	37	43
Can. Marconi Wireless	2.25	2.75
Cockshutt Plow, 7% pfd.	43½	46
Can. Oil Companies, pfd.	96	98½
Do., com.	..	53
Commercial Finance, pfd.	70	76
Cosgrave Breweries	7½	8½
Continental Life	108	..
English Electric, com.	16	18
Do., pfd.	76	78
Dom. Power & Trans. pfd.	92	..
Do., com.	40	43
Dunlop Tire, 7% pfd.	85½	87½
Dom. Liners, pfd.	69	74
Eastern Theatres 7%, pfd.	67	70
Do., com.	8	9
Excelsior Life	31½	..
Farmers' Dairy	51	..
Fam. Play., 7% p. 50% c.	80	83
Gunns, Ltd., 6% pfd.	..	36
Great West Life	214	..
Durant Motors	8	9
Dominion Mfg., pfd.	58	..
Imperial Oil	100	105
Inter. Milling Co., pfd.	97	..
K.&S. Tire 7% pfd. 25% c.	36	40
La Paz Oil	..	30
Lambton Golf Club	450	500
London Loan	46	51
Loew's Toronto, pfd.	..	60
Do., com.	30	35
Loew's London, pfd.	4¼	5
Do., com.	1½	2½
Loew' Buffalo, pfd.	52	55
Do., com.	1.25	1.75
Massey-Harris Co.	48	52
Manufacturers' Life 20%	55	..
Mercantile Trust	98	..
Mortgage Discount Units	..	11
National Brick, pfd	51	54
Do., com.	10	13
National Life $25 paid	50¼	..
Northern Can. Power, com.	50	..
Ontario Equitable Life	..	30
People's Loan	60	..
Pantages, Hamilton 7% pd.	35	..
Do., com.	1½	2½
Robertson P. L. Co.	25	35
Rolph Clark Stnoe, com.	15	..
Sterling Coal, com.	37	39
Simpson, Robert 6% pfd.	90	91½
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick, Co. pfd.	75	..
Trust & Guarantee	75	80
Tiger Tire Units (1 pfd. 2 com.)	20	25
Western Grocers, 7% pfd.	..	57
Whalen P. & P. Co., pfd.	17	19
Western Assurance	7½	..
King Ed. Const. pfd.	95	100
Brit. Amer. Assurance	6	7
Can. Assoc. Goldfields	7	11
Can. Kirkland Gold	6	10

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Paid-up Capital and Reserves..........$14,334,155.90
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5½% Interest Return

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LOSSES BY FLOOD WILL NOT AFFECT COTTONS RESERVE

Shareholders Told That Loss at Milltown Was $200,000

PROFITS HIGHER

Annual Report Shows 11.8 Per Cent. Earned on Stock as Against 9.5 Per Cent.

From Our Own Correspondent.

MONTREAL.—Canadian Cottons is hoping to be able to meet the expense caused by the flooding of its Milltown, N. B., factory without drawing upon the reserves of the company. The loss has been heavy, estimated by the managing director at $200,000, but Canadian Cottons is in an excellent position financially and is so busy now that it seems reasonable to expect that the loss can be made up by operations during the year.

At the annual meeting this week A. O. Dawson, vice-president and managing director, explained that the loss of $200,000 was made more serious by the loss of approximately two months of production. He also stated that the company was supplying light and power to the town and hoped from this source to get a revenue sufficient to meet much of the loss. This depended upon the time it would take the light and power company to replace their dam.

The figures presented to the shareholders of operations for the fiscal year were indeed favorable and indicated earnings on the common stock of 11.8 per cent. after all charges. This compares with 10 per cent. in the previous year and 9.5 per cent. in 1920-21. Sales totalled $10,233,942, an increase over the previous figure of $8,255,625. Manufacturing profits were $604,141, and the distribution was as follows:

	1922-23	1921-22	1920-21
Profits ..	$604,141	$575,226	$679,46
Interest .	99,050	93,345	188,336
Ttl. profit	$703,192	$668,572	$867,804
Bond int.	162,046	176,934	188,607
Pfd. divs.	219,690	219,690	219,690
Com. divs.	217,240	217,240	217,240
Debt. res.	41,362	30,491	5,673
Deprec. ..	......	......	200,000
Surplus .	$62,854	$24,218	$36,594
Prev. surp.	2,774,290	2,720,072	2,683,478
P.&L. bal.	$2,837,144	$2,744,290	$2,720,072

Larger Working Capital

The sale of certain properties has released from trust $1,575,000 of bonds which are carried as current assets and the year showed an upward movement in current assets of working capital of around $2,000,000, the comparative figures being as follows:

	1922-23 $	1921-22 $	1920-21 $
Curr. assets	5,932,155	3,606,278	3,504,435
Curr. liabs.	2,675,660	2,284,317	2,228,379
Work cap.	3,256,495	1,321,961	1,276,056

The balance sheet shows no other important changes.

Competition is Keen

In the statement, the president, Mr. Hosmer, made these comments:

"There has been a steady demand for goods such as your company produces, and the mills have run throughout the year without interruption.

"Competition from the southern states has been extremely keen, particularly on heavy goods, while the fine lines made by your mills have had to meet the very abnormal conditions prevailing in the textile business in England. The margin of profit has thus been very small, but the increased turnover, together with the excellent physical condition of the mills, have enabled your directors to present a report which it is hoped will be considered as satisfactory.

"The utmost harmony has prevailed between the company and its employees and the profit sharing scheme inaugurated some years ago seems to be working out to the satisfaction of all concerned.

"Little can be said as to the conditions facing your company during the coming year. Until business improves in England, competition from that source is going to be extremely keen and profits can only be made by observing the strictest economy, and by keeping the whole organization in a state of high efficiency."

ALABAMA TRACTION REVENUES INCREASE

Company Had Net Income Available for Dividends of $783,963 for Year 1922

From Our Own Correspondent.

MONTREAL.—Largely increased revenues were reported by Alabama Traction for the year 1922. This company which operates in Alabama and through subsidiaries is greatly expanding its output and distribution of hydro power, has its head office in Canada and there is a growing Canadian interest in the stock. The president, Sir E. Mackay Edgar, is a former Canadian financial man, now of Sperling and Company, England. The stock of Alabama Traction and Alabama Power is not listed in Canada though listing in Montreal, and possibly in Toronto, will come in time and there is now extensive trading in the security among dealers.

Gross operating income grew from $5,766,959 in 1921 to $4,515,919 during the past year, an increase of $1,321,080. After payment of bond interest, allowance for depreciation, etc., there was a net income of $783,963 as against $256,562 in 1921.

The report points out that funds for new construction developments during the year were provided by the sale of $1,000,000 of bonds of Alabama Power, by the sale of about $1,000,000 of preferred stock of that company and by bank loans, since paid off.

During the year the company took over from the Cities Service Company the railway, power and gas systems of Montgomery, Alabama.

CANADIAN MILLS WILL SOON PASS U.S. IN NEWSPRINT

Five New Machines Running and Eight More to Come

From Our Own Correspondent.

MONTREAL.—Canada has not yet passed the United States in newsprint production but is rapidly heading in that direction. During April Canadian mills produced 100,742 tons of newsprint or well over the average per month for 1922, while American mills produced 109,890 tons of newsprint, or considerably under the average for 1922. The figures for the first four months of the year are quite as striking. In the four months Canadian mills produced 398,835 tons of newsprint, an increase of 69,419 tons or 21 per cent. The American mills in the same period produced 444,244 tons of newsprint, an increase of only 56,167 tons or 14 per cent.

Five New Machines This Year

In all, five new paper machines have been brought into operation in Canada this year with a total daily capacity of 365 tons. In the same period only one new machine has been brought into production in the United States. The machines brought into production in the United States and in Canada this year have been as follows:

	March, 1921	June, 1913
United Kingdom.	47.80%	60 %
Canada	17.73%	11.5%
United States ..	24.10%	11.5%
Other Countries.	10.37%	17 %

During the remainder of 1923 three new machines are due to start producing newsprint in Canada and they have a total daily capacity of 235 tons. The United States has two machines due to be completed this year with a total daily capacity of 190 tons.

For 1924 five machines are already scheduled to get under way, all of them in Canada. The machines due to start production in 1923 and 1924 are as follows:

	1913-1914	1920-1921
Stock outstanding, par value	$72,995,400	$88,189,800
Owned in Canada	39,005,500 53.4%	64,843,600 78.1%
Owned in Gt. Brit.	30,441,300 41.7%	13,663,200 15.5%

Control is Shifting

It will be seen from this that the movement to Canada of American paper producers that has been recommended by such men as Don. C. Seitz, of the New York World, is not a novel idea at all; that the balance of control in newsprint production has been gradually shifting for a long time past. Even without a definite plan of American newsprint manufacturers to move their plants to this country, Canadian newsprint production is bound to top the American production very shortly. On the basis of new machines due to come into production during the present year and in 1924, Canada should pass the United States before the middle of 1924.

BRITISH CAPITAL WILL BE AVAILABLE

Some English Investors Feel They Have Not Been Given a Run for Their Money

From Our Own Correspondent.

WINNIPEG.—W. R. Allan, president of the Union Bank of Canada, who returned from England recently, found in London a keen desire on the part of large financial houses to participate again in the purchase of high grade Canadian securities, and undoubtedly as soon as exchange will permit of it such securities will readily be marketable in England. On the other hand, a certain number of investors who have been hit hard by the decline in real estate values, complain very bitterly, not so much at the loss, for the Englishman is a good sportsman, but because in some cases at least he does not feel that he got a fair run for his money.

A regrettable fact, and one which is a very live topic in Canadian circles in London, is the receding position Canada now occupies in the butter and cheese trade. Less than ten years ago our products commanded the very highest price and were greatly sought after whereas to-day New Zealand has far outstripped us and neither our butter nor our cheese command the highest figure. This is of the utmost moment to the whole farming community of Canada, for the market is practically unlimited and it is greatly to be hoped that our once pre-eminent position in this trade will be regained. It is satisfactory to note that Dr. Ruddick, dairy commissioner of Canada, who has the confidence and respect of all merchants engaged in the produce business in Great Britain, is alive to the situation and he no doubt will make every effort to attain the desired end.

Conditions Excellent in Red Deer District

From A. T. Stephenson, city commissioner of Red Deer, Alberta, THE FINANCIAL POST receives this cheering message:

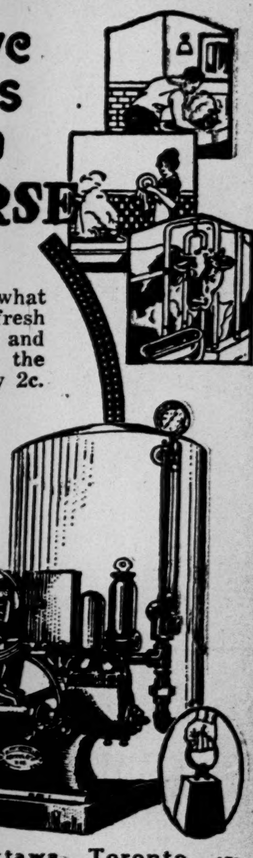
"We closed our first period allowed for payment of current taxes on April 30, and I am pleased to inform you that we collected over $60,000 of current taxes, the biggest collection of taxes we ever made up to the first period. As the total taxes levied were less this year than last the percentage of taxes collected will be consequently greater than last year. This excellent collection of taxes was a surprise to us as general business conditions have not been of the best.

"Prospects this year, so far, are excellent for a good crop. The soil was never in better condition for seeding and we have had plenty of rain for germination. A good crop this year will do much to restore confidence among the people and will improve business all round."

ANOTHER ORDER FOR CANADIAN CARS.

The Amherst plant of the Canadian Car Company is to receive an order for the conversion of 750 freight cars into stock cars. It is expected that about 200 men will be employed on this job within a short time, together with those engaged at the rolling mills, which started operations last Monday and the number working at the wheel foundry, there will probably be employment for 300 or 400 men.

You too, can have City conveniences when you buy a FAIRBANKS MORSE Water Plant



It permits in your summer home what for years you have longed for — fresh running water in kitchen, bathroom and barn — sanitary conveniences in the house. And at a daily cost of only 2c.

It's a simple, quiet, automatic pump that takes little room and no attention.

No matter what your particular conditions are, we can supply a water system to meet them.

Tell us your needs and our engineers will gladly recommend suitable equipment without any charge or obligation to you.

The Canadian FAIRBANKS-MORSE Co. Limited

St. John, Quebec, Montreal, Ottawa, Toronto
Windsor, Winnipeg, Regina, Calgary, Vancouver, Victoria

151

Hull CANADA *wants your Business —*

Here are a few of the advantages Hull has to offer you—
Hydro Power as low as $12.00 per h.p. per annum.
Low fixed land assessment for 15 years.
Low tax rates.
Tax exemption for 15 years on improvements.
Cheap factory sites.
Unrivalled shipping facilities by rail and water.
Situated mid-way between Quebec and Windsor or Detroit.
Hull is the hub of the most populous district of Canada.

" BRING YOUR INDUSTRY TO HULL "

For fuller particulars apply to:
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Assets..........$370,518.11
Reserves..........300,401.45
Surplus Security to Policyholders 70,116.66

Deposited with Insurance Department (Ottawa) $154,000.00

Efficient Service at Moderate Cost

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A. W. BRIGGS, K. C..........Vice-President
NORMAN SOMMERVILLE, K. C. ....Vice-President
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2 King St. E., Toronto. Branch Office—Regina: Lorne Johnson, Manager.

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FINANCIAL ASSISTANCE

to Estates being administered by it

PAID UP CAPITAL AND RESERVE - - $1,240,000

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.

HEAD OFFICE, WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY. VANCOUVER AND VICTORIA.

THE NATIONS OIL REFINERIES LIMITED

Formerly Red Star Refineries, Limited
Refinery under construction at Montreal East, P.Q.

HEAD OFFICE — CANADA CEMENT BUILDING — MONTREAL

PACIFIC BURT HAD BEST YEAR IN ITS HISTORY IS REPORT

Net Profits Were More Than Double Previous Year

NEW PLANT FIGURES

Acquisition of Pacific Coast Sales Book Adds to Profits—Common Dividend Increased

The complete acquisition of the Pacific Coast Sales Book, of Los Angeles, by the Pacific Burt Co., it having held only an interest in the concern previously, influenced the profits of the Burt Co. for the year ending March 31. The total reached the handsome sum of $235,990, or more than double the previous year. The year was the best in the company's history, says the report, in dealing with conditions up to that time and it is stated that the experiences of the company since the report was made up has been along the same line. April of this year was much better than April, 1922. Business is booming on the coast, it is stated.

As a result of the complete purchase of the Pacific Coast Sales Book, the company operates two complete factories in California, one at Emeryville and the other at Los Angeles. The Pacific Burt was organized in 1910 to purchase the business of the Pacific Manifolding Book Co., of Emeryville, and later the interest in the Los Angeles concern was acquired. The full profits of the latter concern figure in the report as from Oct. 1. It was to take care of this purchase and provide working capital that the company made a bond issue last October, issuing $350.000 6½ per cent. first mortgage bonds.

This year the company carried forward the largest balance in its history, $148,879, more than two and a half times the amount carried forward during the two previous years. At the same time the dividend of the common stock, paid during year, 5½ per cent., called for the distribution of $35,750, as compared with $13,000 the two years previous. The stock is now on a 6 per cent. basis. The profits together with the surplus, less the federal taxes, left $285,082 for distribution. Plant reserve was increased by over $8,000 to $42,000, with the same amount as in other years written off for patents. The company's inventory is down to a rock bottom basis, so nothing was written off this year and nothing was set aside for general reserve.

The financial position of the company as shown by the balance sheet, evidences the position of the company. Current assets were $642,349, as compared with current liabilities of $183,007 leaving net working capital of $459,342, as against $213,353 the year before. Fixed assets show increases, due to the inclusion of the Los Angeles enterprise.

Real estate and buildings stand the same. Plant, machinery and equipment are higher from $335,155 to $540,465. Goodwill also increased from $650,000 to $729,299. The change in the latter two items being doubtless made to provide for the acquisition of the Los Anglees plant.

The profit and loss account with comparative figures follows:

	1921	1922	1923
Balance forward	$53,889	$54,527	$54,075
Less Fed. taxes	....	3,821	4.983
	$53,889	$50,705	$49,092
Profits for year	149,397	115,446	235,990
	$203,286	$166,152	$285,082
Plant reserve	32,300	33,719	42,400
Writ. off patents	12,552	12.552	12,552
Writ. off Invent.	37,407	7,505	...
Reserve	8,000	....	....
Pref. dividends	45,500	45,500	45,500
Com. dividends	13,000	13,000	35,750
Bal. forward	$54,527	$54,075	$148,879

DURANT MOTORS TO INCREASE OUTPUT

First Annual Report Shows Company Made Profit From Operations

Durant Motors have been turning out cars at the rate of 100 daily and will soon have their additional plant, which will bring the output up to 250 cars daily, in operation. Profits for the first year were shown in the report presented to the annual meeting as $85,627. The company is making the two cars, Durant fours and Stars.

Income for the year amounted to $3,782.475, and net operating income totalled $125,947. A special reserve was set up to care for loss at the Montreal plant, but it is expected that this year the plant will take care of itself. The balance sheet shows cash of $286,633, accounts receivable $136,645, inventories, $1,114,283, investments (net) in other companies $112,584, and balance owing in stock subscriptions $683.425, making a total of $2.363.573. Fixed assets less reserve aggregate $1.226.266. Additional expenditure of $102,750 is required to complete buildings under construction. No depreciation is provided for.

The liability sheet shows accounts payable $343.724 and balances due allied companies $28,015. Liabilities accrued but not yet due total $81,001. Payment on subscriptions in excess of authorized capital are $106,420, capital stock is $3,000.000, surplus earnings $85.627. Net cost of sale of stock $54.949, which with net surplus from all sources of $30.678, gives a balance sheet total of $3.589.840. Cost of selling stock exceeded half a million at $556,096, but premium on subscription accounted for all but $54,949.

Consumers' Gas Has Perpetual Franchise and 10% Dividend

Company in Most Unique Position—Stock is Rated High as Evidenced by the High Premium it Commands—Something of Its History

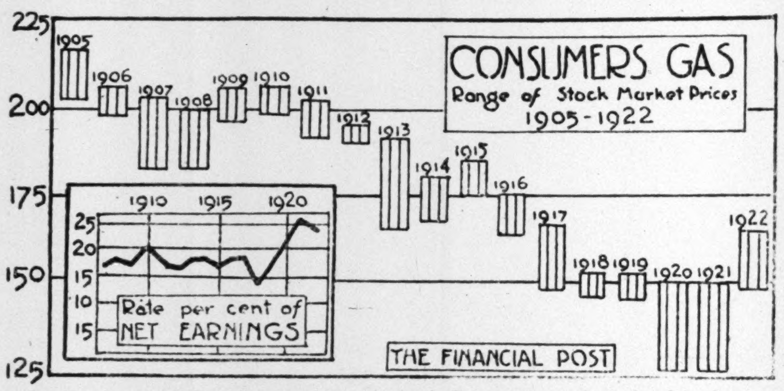
Perhaps no other private enterprise is so closely connected with the life and progress of the community it serves as is the Consumers' Gas Co. of Toronto, and perhaps no other utility on the continent is in such an unique position. Its franchise is practically perpetual. It is entitled to earn 10 per cent. on its capital stock, plus a reserve up to $1,000,000.

Consumers' Gas was incorporated in 1848, some seven years after the first gas was burned in Toronto, Dec. 28, 1841. Originally its product was in demand as an illuminant only, but this condition steadily changed. First came the demand of the housewife for cooking purposes, and during the last ten, but much more so during the past five years, the industrial life has made a tremendous demand for gas, with the result that to-day more than 75 per cent. of the company's product is sold for purposes other than lighting.

From an investor's standpoint Consumers' Gas is rated among the most solid of stocks; while some class it as the equal of many bonds. As with a bond, the shareholder of Consumers' Gas can always figure on a definite return. The company's dividend is a fixed charge upon the earnings and the price of gas is regulated by the accumulation of surplus earnings after the full dividend has been paid. Whenever the revenue is insufficient to meet the requirements of the company, including the dividend, the price of gas must be adjusted accordingly. At the same time the reserve, over and above the dividend requirements, has a statutory limit of $1,000,000 and when sufficient profits have been accumulated to reach that total the balance must be allocated to the consumers by a reduction in the price of gas.

Equity Behind Stock

The return to the investor having thus been set out, the new point is the equity behind the stock. There is a reserve and surplus. The reserve is made up of the premiums realized on the sale of capital stock. This may be drawn upon to pay dividends if the earnings of the year are insufficient and may be later restored out of earnings, the company having the right to increase the price of gas in such a case. The 1922 statement shows the reserves to total $3.960,560 and since that time $2,000,000 has been added to the capital, the sale of which netted the company a goodly sum in premiums.



As Consumers' Gas is almost entirely influenced marketwise by the prevailing rates of interest, its dividend being fixed at 10 per cent., the price declined steadily from 1905 to 1920. But the trend of interest rates is now in the other direction and this chart indicates that in 1922 Consumers' Gas definitely turned upwards. The smaller chart indicates that the company has always earned a substantial margin over dividend requirements, the balance being available for plant renewals, etc. It is obvious from looking at this chart why the earning power and the liquid position of the company are both so strong; ample allowances have been made for depreciation and renewals.

The company also maintains a renewal fund, setting aside each year, out of earnings, 5 per cent. on the book value of the plant and buildings. The last statement shows this fund to stand at $1,497,308. When after all these charges have been met, there shall still remain a surplus, this is credited to special surplus account and when this total is equal to 5 cents per 1,000 cubic feet of gas sold during the preceding year there shall be a reduction in the price of gas. It has been the policy of the company to voluntarily reduce the price of gas when operation costs permit without waiting for, or reaching the point when a reduction is obligatory. This was the case in June, 1922.

Assets as shown by the report ending September, 1922 totalled $13,374,029, plant and equipment making up the bulk of this item, $11,703,966. Current liabilities total $2,271,000.

Strong evidence of the regard of the stock of the company, now capitalized at $8,000,000 of $100 par value is the high premium which it has netted the company when capital increases have been made from time to time. Early this year a $2.000.000 increase in capital was made. The shareholders were allowed to take up shares at $35 premium and the balance on being sold by tender netted a premium of $54.60. The fact that one of the large mortgage companies was the purchaser of the shares is also significant of its standing. On numerous occasions the stock has brought a premium of 100 per cent. while on one occasion, back in 1900, $215.47½ a share was realized by the company on the sale of a $50.000 issue. The figures showing capital increases and the average price realized by the company follow:

		Capital	Price Rec'd.
Prior to	1887	$100.000	$100
July	1887	200.000	180.32
July	1889	125.000	176.60
August	1889	175.000	175.10
April	1891	100.000	168.25
October	1893	100.000	183.04
October	1900	50,000	215.47½
May	1903	50.000	209.15
November	1903	100,000	192.86
June	1904	100,000	200
December	1904	250,000	210
April	1906	250,000	200.75
June	1907	300,000	190.66
December	1907	450,000	188.44
January	1909	250,000	203.91
April	1910	500,000	199.99
April	1911	384,500	192.64
June	1913	340,500	166.84
December	1913	157,000	161.95
May	1907	478,700	150
January	1921	639,300	758,983
January	1923	1,861,000	135
April	1923	138,900	154.64
Total Capital			$8,000,000

Consumers Concerned

The citizens of Toronto are very much concerned with the position of the gas company. The better it is regarded by the investors the better it is for the gas user. The above figures show that the company has possession of over $4,000,000 received from investors for stock and yet the consumers do not have to provide dividends for that sum. In the same way, the gas company's costs are important to the consumers. Perhaps few of the consumers of the city are aware of the fact that because of the depression of the Canadian dollar during the last couple of years, they paid more for their gas. As a matter of fact the exchange which the company had to pay on coal and oil purchases in the U. S. in 1921 amounted to 6 cents per thousand cubic feet of gas sold. The same consumer interest applies to wages of coal miners, railway workers, as the company must buy coal and have the railways haul it. Consumers read at the present time of the heavy slump in oil prices due to overproduction. They are concerned. Last year the gas company burned 800 tons of coal and 19,400 tons of gas oil daily. The growth of the city, the steady increase in the cost of doing business, are shown by the growth in the earnings of the company. Of course each increase in capital means an increase in dividend requirements, but this is more than offset by lowering costs on increased production. The table of gross and net earnings over a period of years follows:

1922	$6,813,939	$1,478,274
1921	7,214,881	1,540,932
1920	6,426,896	1,240,274
1919	5,506,215	965,917
1918	5,095,006	776,665
1917	4,296,349	953,306
1916	3,637,805	919,576
1915	3,440,008	865,380
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,134
1911	2,214,873	697,006
1910	2,070,691	754,760
1909	1,737,000	604,083
1908	1,587,362	556,822
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,259

Uses Growing

Gas consumers are the important customers of the company, but these consumers are also customers in the purchase of appliances, which is a branch of the company's business that has been growing rapidly. There are also customers for coke, tar, benzene and other by-products. Comparison is often made of the price of coal and that of coke. It may be of value to cite what becomes of a ton of coal. It produces 10,000 cubic feet of gas from which is taken benzene and toluol; 1,350 pounds of coke, of which the company sells two-thirds, using the other third for its purposes: 10 imperial gallons of tar and again benzene, toluol, besides fuel oil, acids and dyes. There is in addition, ammonia and retort carbon. The latter in small quantities.

As an investment the future of the company is wrapped up in the continued demand for gas. In this connection one hears of the inroads electricity is making. Right now the gas company finds it difficult to keep up with the development of its field, while the uses of gas are growing daily. In a recent statement by the gas company it was estimated that there are to-day 1.200 uses for gas. The greatest recent growth has been in industrial life, and especially among the metallurgists of this branch, who find that gas excels in the treatment of metals.

EXTEND RAILWAY IN B.C.

Nelson, B.C.—Announcement is made by Frank Crandell, that the construction of 50 miles of the Calgary and Fernie Railway will be done by the Grain Belt Construction Company this season, between Sparwood and Mt. Wilson, and that the cost of construction, including the colliery at Mt. Wilson, will be $3,500,000.

UPWARD SWING OF BUSINESS NOW ON

Pres. Gough, of Murray-Kay, Reviews Business Conditions of Past Year

The period of acute depression is now over, but the fact that it was world wide made it improbable that the return would be other than slow, said Pres. R. P. Gough, of Murray-Kay Co., Ltd., in the annual report to shareholders. He said that the great obstacle now is the unsatisfactory attitude of the buying public. However, this was a temporary condition and he hoped the corner had been turned in the textile retail trade. Confidence will be quickly restored with a broadening market. He declared that fundamental conditions remain favorable and he sees prospects of an early improvement in the upward movement of business.

Mr. Gough pointed out that the uncertainty and lack of confidence was caused by the enormous drop in the value of commodities. This is to a certain extent shown by the drop in the firm's inventory from $1,010,750 to $885.460. Mr. Gough points out that all inventories have been taken at cost or lower and in no case greater than replacement values. The firm has also made a material cut in operating expenses, the reduction being over $100,000. In connection with this, the directors advise the continuance of a program of conservation and the maintenance of a strong liquid position and for this reason it was deemed advisable to continue the policy of discontining the payment of dividends on the shares of the company.

The balance sheet shows liquid assets of $1,234,510, as against $1,402,556 a year ago, and current liabilities of $599,310, compared with $602,555. Cash on hand at $7,672 compares with $11,264. Accounts receivable are lower at $326,366, as compared with $364,678. Goodwill is carried at $500,000, furniture, equipment, buildings, and land are valued at $560,063. It is pointed out here, too, that appraisals have been made of buildings and land, which would increase the value of fixed assets to $713,960. Accounts and bills payable have been reduced from $432,555 to $349,310. Indebtedness to the bank totals $250,000. Provision for taxes and bad debts has been made to the extent of $36,400. Depreciation reserve at $123,541 compares with $120,000. Surplus account stands at $40,321.

WILLARD'S SURPLUS STANDS AT $126,999

Net Earnings for Past Year Materially Lower Than 1921

Willards' Chocolates had a profitable year in 1922, according to a statement just issued, although as compared with 1921 there was a material drop in profits, the figures on operating profits being, 1922, $170,936, as compared with $233,028 in 1921.

Preferred dividends claimed $47,616, depreciation $81,624, taxes $3 254, leaving a surplus of $38,442 to be added to the total forward of $88,557 for a total of $126,999. Assets stand at $2,852,273 as against $2,768,070 in 1921. Liquid assets stand at $640,178 and current liabilities $348,071, leaving working capital $292,107, as compared with the 1921 total of $267,221. The company has no bonds out, but has a mortgage of $224,500, which is $14,000 less than in 1921.

The company has its sinking fund in operation which provides for the retirement of 180 shares of preferred stock yearly. Close attention is being given to the company's candy business and it is reported that real progress is being made.

The profit and loss account statement figures follow:

	1922
Surplus forward	$ 88,557
Profits	170,936
Less—	
Pref. dividends	47,616
Taxes	3.254
Depreciation	81,624
Balance Forward	$126,999

TUCKETT'S EARNINGS WELL MAINTAINED

Report Deals With Acquisition of Tobacco Products Corp. Holding in Canada

The Tuckett Tobacco Co. made a profit of $250,313 for the year ending March 31 last, or slightly above the year ending March, 1922, according to the annual report which has just been issued. In the report, mention is made of the fact that the Tuckett Co. recently acquired the capital stock of the Tobacco Products Corp. of Canada. It is stated that this acquisition of an established cigarette business with the Canadian rights to many brands will prove advantageous to the company. It also adds that the Tobacco Products Corp. of New York, has secured by private purchase a substantial interest in the Tuckett concern, which, adds the report, should be a very valuable connection for the Tuckett Co. The annual meeting to be held on Monday next, will doubtless show some changes in the board as a result of this acquisition.

The balance brought forward from the previous year was $630,864, thus making the total for various appropriations $881,178. Preferred and common dividends absorbed $240,000, and the balance carried forward into the current year was $641,178. Hence, the company more than earned both dividends. Profits for the preceding year were $249,933.

The balance sheet indicates an exceptionally secure financial position. Current assets totalled $2,360,372, as against current liabilities of only $166,704, thus leaving net working capital of $2,198,668, as against issued stock, common and preferred of $4,500,000.

The comparative figures follow:

	1923	1922	1921
Bal. forward	$630,865	$620,931	$605,178
Profits	250,313	249,933	255,753
	$881,178	$870,864	$860,931
Less—			
Dividend pf.	140,000	140,000	140,000
Dividend, cm.	100,000	100,000	100,000
Bal. forward	$641,178	$630,864	$620,931

Important Points to Bear in Mind When Buying Gold Stocks

Here are some of the questions you should ask before you buy gold mining stocks:

Has development work demonstrated ore bodies of a size that will make operations profitable over a long period of years?

What are the chances of dividends being paid regularly so that the investment will be permanent?

What are the size of the ore bodies; are they deep seated, and what is the probable yield per ton?

Will the margin of profit between the yield per ton and the cost of operating be sufficient to allow for fluctuations in labor costs, increased cost of equipment or other contingencies?

Are the mining laws just and equitable?

Are the Government taxes or charges excessive?

Is there an ample supply of wood and water?

Is there good transportation, stable and efficient labor, ample Hydro electric power?

Is the ore of commercial grade and easily treated?

Are the men behind the mine well known and reputable, and will the mine be efficiently managed?

The Matachewan Canadian Gold, Limited, meets all these requirements.

Seventy diamond drill holes put down to an average depth of over 250 feet on the property prove conclusively the existence of huge bodies of commercial ore.

As the Matachewan Canadian Gold has identically the same formation as the St. John Del Rey Mine in Brazil, the deepest gold mine in the world, operating at a depth of over 6,000 feet, and has already paid in dividends over $15,000,000, this would indicate that the Matachewan Canadian Gold, Limited, will be a permanent investment.

Some of the ore bodies in the Matachewan Gold are over 30 feet in width, and the present estimate of the yield per ton is about $11.00.

As it costs about $6.00 to obtain and treat the ore, the margin of profit will be ample for any fluctuation in labor and other costs.

The mining laws of Ontario are just and equitable, and the taxes and charges of the Canadian Government are always reasonable.

Instead of placing obstacles in the way of miners, the Government is always ready to co-operate in every reasonable way with them.

There is an ample supply of wood and water on the property.

The property is within 18 to 24 hours' run of the leading labor centres.

Power will be supplied by the Great Northern Power Co.'s million-dollar plant and dam now being constructed at Matachewan.

The ore bodies are as high grade, continuous and free from impurities as any ore bodies anywhere in the world.

The Board of Directors, as will be seen by the prospectus, are some of the best known and most successful men in Canada and the United States.

Mr. Jos. S. Qualey, of New York, the Managing Director, is one of the most experienced mining men on this continent.

Over half a million dollars have been spent to prove the existence of rich ore bodies all over the property, and the only thing that now remains to be done is to get the ore out and treat it.

To do this, we're now offering for public subscription 600,000 shares of the Matachewan Canadian Gold, Limited, at $1.00 (par value) a share.

Kindly fill in the attached form for the number of shares you require, or write for prospectus and other particulars.

Our confidence in this mine is so great that, if, within 30 days after you buy this stock—if bought direct through our office—and after a personal examination of the records and data on file in our office, you are not perfectly satisfied with your investment, we will refund your money in full—could anything be fairer than this.

F. C. SUTHERLAND & COMPANY
LIMITED
INVESTMENT BROKERS
4-5 KING EDWARD HOTEL BUILDING TORONTO, ONT.

Date........................, 1923

F. C. SUTHERLAND & COMPANY,
Limited,
4-5 King Edward Hotel Bldg., Toronto, Ont.

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50 Loew's London Pref.
25 Loew's Buffalo Pref.
100 Imperial Steel Corp. Common at $5.50
200 K. & S. Common
75 Durant Motors
25 Tor. Pantages Com.
50 Eastern Theatre Pref.
25 Loew's Windsor Pref.
100 English Electric, with 40% bonus

Will Sell

75 Loew's London Com.
25 Loew's London Pref.
100 Loew's Buffalo Com.
25 Loew's Buffalo Pref.
300 K. & S. Com.
3,000 K. & S. 7% Bonds.
50 Durant Motors
72 Ham. Theatres Com.
10,000 Can. Assoc. Goldfields
50 Imperial Steel Corp. at $5.75.
3,000 Imperial Steel Corp. 8% Bonds

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302 BAY STREET, TORONTO
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MONEY, BANKING AND EXCHANGE

BANK BURGLARS ON WARPATH IN WESTERN CANADA

Banks Advised to Provide More Protection for Staffs

From Our Own Correspondent.

WINNIPEG.—The fresh outbreak of bank burglary, which bears all the ear marks of last season's bank robberies in the West that aggregated $300,000, coincides with the apprehensions of Winnipeg bank executives, who early in the year warned branch managers in border towns to take every precaution. The provincial police of both Manitoba and Saskatchewan are believed to have cast an elaborate net this spring, but within one week the bandits slipped over the border as they did last year, and looting the Bank of Toronto, at Mather, Man., and the Banque d'Hochelaga, at Dollard, Sask., made a complete get-away with a total approximating $10,000.

Western bankers are aroused to anxiety over the new wave of bank looting and life has become uncomfortable for the border town branch bank employees; particularly for those younger members of the staffs whose duty it is to sleep in the so-called guard rooms, which in most instances are wholly unequipped for defense against desperadoes. Commissioner Mahony, of the Saskatchewan Provincial Police, is disposed to place the onus upon the head office bankers. More adequate protection must be supplied the branch banks before bandit raids can be stopped, in his opinion. He stresses that it is a physical impossibility for a force the size of the Saskatchewan police to patrol the 390 miles of border, and he points out that clerks in branch banks as they are now equipped have not a chance in case of raid. They awaken to find themselves in the full flare of a flashlight and covered by a gun.

"I have always maintained that the bankers themselves should make some added move toward checking these hold-ups," he said. "Last fall I outlined a proposal to protect these branches in isolated points. It is now being considered by one bank."

The scheme outlined by the Saskatchewan provincial police head provides for the equipping of the bank clerks' room with steel shutters so slanted as to prevent either observance or menace from the outside. The door of the room would be protected with a flush steel door giving no opportunity for leverage from the outside.

"The equipment, of course, should be used only in two-story banks," the commissioner added. "A peep hole protected with sheet iron should be cut in the floor so that the bank employees could cover anyone attacking the vault and still be protected against bandit bullets. I have received a quotation on such equipment and it shows that a bank could be protected in this manner at a cost of $50."

Manitoba's attorney-general is reported to have said that he may ask the Dominion Air Force to assist in tracking the bandits and the Winnipeg Tribune quotes the willingness of G. D. Desbarate, deputy minister of national defence to assist the province. "We are already co-operating with the provinces of Ontario and Quebec in forest protection and with British Columbia in the enforcement of the liquor law. In the latter province the air force has been of great assistance in the detection of rum-runners. Anything that the Manitoba authorities suggest will be considered sympathetically."

While all the chartered banks are fully covered by insurance against losses incurred by robberies—it is understood that Lloyds have underwritten a blanket policy covering all western branch banks against burglary—the fact that this bank banditry has broken out again this year on top of last year's dozen burglaries in prairie towns has aroused executives here. None, however, appear disposed to disclose their plan of action, or, whether there will be concerted action.

It is known, however, that for the most part securities held by the banks for safekeeping have been called into Winnipeg where they may be stored with less hazard, and it is understood too, that only a minimum amount of cash is being carried either in the tills or the vaults of those branch banks which are in proximity to the United States and for that reason the more likely to be raided.

"STEP UP, GENTLEMEN!"

MONTREAL.—Marks and kroner have joined Indian corn salve, Dr. Quack's Kure-All and patent paring knives as the stock in trade of street corner vendors. On a busy Montreal thoroughfare stands a fluent gentleman offering 1,000 Austrian kroner at 10 cents (real value $245, it is pointed out). Trade is good. The gullible public is quick to buy. And the fakir's salesmanship is clever. He makes it clear that the bills he is selling are not the worthless new bills being printed to-day by billions but genuine 1,000 kroner bills of the 1902 issue.

The bills are pathetic reminders of the resistless workings of exchange. They are beautifully engraved and probably could not be duplicated for much less than 10 cents.

VOLUME OF BUSINESS REGULATES THE VOLUME OF MONEY

"People are deluded under the impression there is not enough money in circulation.

"Under the Canadian banking system there is never too much or too little, because it falls and rises as the transactions of the country fall and rise.

"Paper money lies in the vault, so to speak, until it is wanted.

"Whenever wanted, it goes out, and when it is finished it comes back. It represents at any one time, any one day, the volume of transactions of the country." From the evidence of Sir Edmund Walker before the Banking Committee at Ottawa.

BRITISH THINK WELL OF CANADA BANK ACT

The Morning Post Gives Banks Credit for National Development

The revision of the Canadian Bank Act has been attracting some attention in England. The point is made by the Kingston Standard that no doubt many people in Canada would expect the British attitude to be critical, in view of the criticism which has been offered in this country, and that they would perhaps be surprised to find the contrary to be the fact, as evidenced by the following from the Morning Post:

"It is due to Canadian bankers at this important moment in their history to admit that the fine records of Canadian banking have been nowhere more recognized and appreciated than in this country. If our prestige and traditions, as the country which for so many years has been accustomed to be the bankers of the world, reckon for anything, Canadian bankers may be assured that we regard their banking system and the manner in which it has been worked as responsible in no small degree for the great developments of that part of our Overseas Dominion. In fact, Canadians themselves must be well aware of that fact, and, young as the country may be, it already has banking traditions of which it may well be proud."

The Morning Post suggests that the time may come when it will be advisable for Canada to have some central banking institution like the Bank of England, but the time for this seems scarcely to have arrived yet. It also says that there may be points which may require alterations or additions to the Bank Act, but pointing out that Canadian bankers are the first to acknowledge this, it hopes that political considerations will not be allowed to interfere in the matter, and believes the changes should be only of "a minor character."

It will be well for Parliament to bear heed to these and similar remarks which are being made in Great Britain. At present the country is being deluged with the views of apparently every Dick, Tom and Harry, who considers himself for some no very obvious reason or another, able to express a learned and convincing opinion upon banking which is really one of the most difficult and complex subjects in the world. The Canadian banks have served the country well, they are managed by men of long experience, skilled in financial matters, and it would be an absolute wrong to the country if any consideration were allowed to alter the Bank Act in such a way as to prevent their great work in "being responsible in no small degree for the great development of Canada," as The Morning Post claims.

Exchange

NEW YORK FUNDS

May 17—Funds opened at 2 1-16 per cent. premium and closed at 2 3-32.

May 18—Opening unchanged at 2 3-32, funds touched a high of 2 7-64, closing down again at 2 3-32.

May 19—Funds opened at 2 3-64, and closed at 2 1-16.

May 21—Opened unchanged at 2 1-16, dropped to 2, and closed at 2 1-32.

May 22—Funds opened at 2 1-16, and closed at 2 1-8.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
May 17	4.62 5-16	6.66¼	4.86
May 18	4.62¼	6.66	4.86
May 19	4.62⅝	6.66¼	4.85½
May 21	4.63⅛	6.62½	4.85½
May 22	4.63¼	6.66	4.82

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	May 17, 1923	Change	%
Montreal	$117,657,699—	$14,537,071	10.9
Toronto	94,026,284—	7,757,122	7.6
Ottawa	9,204,145—	766,233	7.6
Hamilton	6,328,036+	503,359	8.6
Quebec	5,789,438+	329,388	6.0
Windsor	4,114,554—	230,008	5.3
Halifax	2,964,443—	284,031	8.7
St. John	2,962,409—	1,333,208	31.0
London	2,809,504—	143,834	4.8
Moncton	1,554,514+	530,536	51.8
Brantford	1,143,313—	5,897	5.1
Kitchener	1,060,574—	51,076	4.6
Sherbrooke	955,695+	127,408	15.4
Peterboro'	863,620+	96,651	12.6
Kingston	626,241—	5,237	.8
Total East	$252,060,469—	$23,526,375	8.5

WESTERN CITIES

	May 17, 1923	Change	%
Winnipeg	$43,933,651—	$2,620,032	5.6
Vancouver	14,046,463+	1,172,669	9.1
Calgary	4,256,214—	1,280,926	23.1
Edmonton	3,521,500—	1,409,100	28.5
Regina	2,865,364—	27,205	.9
Victoria	1,872,910—	107,612	5.4
Saskatoon	1,351,535—	55,977	3.9
Moose Jaw	959,005—	20,834	2.1
Ft. William	677,436—	11,957	1.7
New Westm'ster	608,706+	106,411	21.1
Brandon	527,061—	32,493	5.8
Lethbridge	453,157—	39,538	8.0
Pr. Albert	347,568+	33,991	10.8
Medicine Hat	261,315—	69,049	20.9
Total West	$75,681,885—	$4,361,652	5.4
Grand total	$327,742,374—	$27,888,027	7.8
Yr. to date	$5,895,766,522—	$178,814,155	2.9

OTTAWA'S MOVE ON GRAIN RATES; CHARGES PROVED

(Continued from Page 1)

the commissioners have in mind. It is desirable that there should be some competitive fixing of rates. Probably the commissioners are looking for some such competitive lowering of rates if their recommendation that the coasting laws be amended is adopted. This would enable American vessels to carry grain between Canadian ports. The rates that would be fixed would be maximum rates. Shippers would file their maximum rates and these would be allowed if considered fair and reasonable.

The system of paying vessel brokers for chartering cargoes by forcing shippers to place their insurance with them is roundly condemned. The commission advises, "The broker should not obtain the payment for his services from participation in the premium of insurance written by him. The basis of compensation for services rendered should be a direct charge."

The unsatisfactory situation on the lakes revealed by THE FINANCIAL POST'S charges last autumn, by the preliminary investigation of W. T. R. Preston, and emphasized by government counsel H. J. Symington, K. C., during the course of the inquiry has been proven to exist. Much of the dissatisfaction that has been caused will be relieved naturally by added competition from new steamship lines going into the lake traffic, by enlargement of port facilities that is continually going on and by the completion of the Welland Canal, but the Western farmers and the milling men particularly, will feel that these natural solutions are not enough. The problem created by a few greedy vessel owners will have to be solved by following in the main the commission's recommendations. The fair, business-like vessel owners, will not suffer under a maximum rate scheme of regulation.

Have you an investment in your strong-box so strongly recommended as this one?

NEARLY 4,000 investors are to-day partners in The Mount Royal Hotel, the largest hotel in the British Empire.

The Financial Times:
"Mount Royal Hotel 8 per cent. Convertible Debentures should be considered as a good business man's investment. The Hotel will be operated by the United Hotels Company of America, who already own 19 hotels. Practically every one of these has been a great success and they are paying dividends on the common stock. The Canadian Pacific Railway, which operates 15 hotels, and the United Hotels Company of America, operating 16, are the two largest individual investors in the Mount Royal Hotel debentures."

MacLean's Magazine:
"It has particularly attractive features as a high-class business man's investment. Good management is assured in view of the success of the United Hotels Company both in the United States and Canada."

Saturday Night:
"They are well secured. United Hotels has shown a proficiency in scientific hotel management which is so exhaustive and apparently so well-considered that their estimates of revenues and profits are surprisingly close to the actual sums as they accrue. The entire method of financing their Canadian propositions is so sound and so open that many a promoting financial house might copy it to advantage."

Monetary Times:
"Mount Royal Hotel appears to me to be a good investment. The management of the United Hotels has been successful, and the directorate of the Mount Royal Hotel Company is an excellent one."

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A. D. Mactier, Vice-President Canadian Pacific Ry.
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Col. F. S. Meighen, C.M.G., Director Canadian Pacific Ry.
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Senator C. P. Beaubien, K.C. Director Canadian Car & Foundry Co., Ltd.
Frank A. Dudley, President United Hotels Co. of America.
W. M. Birks, Vice-President, Henry Birks & Sons Co., Ltd.
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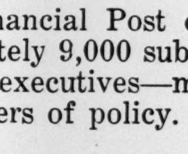


Sell the men who have the final say.

NEWS AND VIEWS FOR MANAGERS

BANKS COULD NOT PREVENT PERIOD OF DEPRESSION FOLLOWING WORLD-WIDE INFLATION OF WAR PERIOD

If They Erred They Erred on the Safe Side

IMPROVING THE ACT

Suggestions Not Constructive—Disappointment at Refusal of Application for Charter.

By **H. MICHELL,**
Professor of Political Economy in McMaster University.

W. L. Baker, formerly Supervisor of Branches of the Standard Bank, in company with certain American capitalists, projected in 1921 the founding of the Commonwealth Bank. The granting of the charter was, however, refused by the Senate Committee on Banking and Finance, and consequently the whole thing fell through. Mr. Baker, for whom the failure of the project was naturally a very deep disappointment, has in a little book entitled "Money Monopoly vs. the Community Dollar," told the story of his struggle for the charter, and makes the refusal of the Senate Committee to allow the bank project to go through, the text on which he has hung an attack upon the banking system of Canada in general, and the Canadian Bankers' Association in particular.

In commenting upon Mr. Baker's book, we may first remark that it has been published under somewhat mysterious circumstances. It is impossible to buy it through the ordinary trade channels; even the publishing house whose name appears on the title page, has no copies for sale. Nor have the printers. Why this secrecy? And yet it is said the book is being widely circulated in the western provinces. But after all, that is Mr. Baker's business, not ours, and if he likes to use these rather mysterious methods he is entitled to do so. But the point is worth calling attention to, as it distinctly suggests underground methods of propaganda.

Mr. Baker tells the story of the project of the Commonwealth Bank, and comments with a good deal of bitterness on the refusal of the charter by the Senate Committee. No one can, in fairness, blame Mr. Baker for the tone of his complaint against the committee. Much may be forgiven a man who sees bright hopes and the fruit of long and patient labour dashed to the ground. But while we may not complain of the tone of the author's attack, we may at least be permitted to question the grounds on which Mr. Baker alleges the charter was refused. He charges the Senate Committee with being the tool of the Canadian Bankers' Association, which, being in reality, he says, a "money trust," desires to keep out all new comers into the field who would challenge their money monopoly.

The Monopoly Allegation

The point is worth considering with some cases; because without doubt if such a monopoly exists it is a bad thing for the country, and should be combatted in the interests of the people. In studying Mr. Baker's argument, however, it is difficult to find any evidence corroborative of his claim that his project was deliberately killed by these alleged monopolists.

It is quite pertinent to remark that at the very same meeting of the Senate Committee at which the project of the Commonwealth Bank was turned down, an extension of six months was granted to promoters of the Great West Bank to raise their capital. If the "money trust" was out to keep off any new competitors in their banking monopoly, why did they not kill the project of the Great West Bank as promptly as Mr. Baker alleges they killed the Commonwealth Bank?

Again, the application for a charter for the Banque du Cultivateur has not been refused by the House of Commons, and Mr. Fielding's remarks on the subject were much to the point when he said that the promotion of a bank was a serious thing, and the capacity of the sponsors to carry through the project should be most carefully scrutinized. Here then, we have two banks to which charters have not been refused since the war; how does Mr. Baker explain this in face of his assertion that the "money monopolists" of Canada are ready to bludgeon anyone who dares to try and challenge their supremacy?

"Dirty Work Somewhere"

The truth is that the author's argument lacks weight on this point. When a man is very disappointed and cast down at the failure of a long-sought project he is apt to impute motives to those who have opposed the attainment of his dream. "The application for a charter for my bank was refused by the Senate Committee," says Mr. Baker, in effect, "therefore there must have been dirty work somewhere." So he blames it on the Canadian Bankers' Association, and proclaims to the world that it is a ring of bloodsuckers and monopolists.

> **VALUABLE TO MANAGERS**
>
> A British Columbia bank manager writes his appreciation of THE FINANCIAL POST: "It is unique in that it contains matter of interest to both bankers and financial men as well as the general investing public. Your page devoted to News and Views for Managers is of particular interest to the writer and no doubt to bank men in general."

A careful study of the evidence in the case points clearly to the conclusion that Mr. Baker's charter was refused because the committee had no confidence in Mr. Baker's associates. It is possible the committee was mistaken; perhaps, as Mr. Baker most vehemently asserts, the objections to one gentleman in particular were ill-founded. To a perfectly fair-minded reader of the evidence the possibility that this was so is apparent, although not absolutely conclusive. But however that may be, it is hard to come to any other conclusion than that the committee "had at least, in its own judgment, sufficient prima-facie evidence at hand to reject the application of a charter for the Commonwealth Bank."

Caution is Necessary

Mr. Baker, as an experienced banker, would himself assuredly be the first to admit that the utmost caution is necessary in the public interest in granting of bank charters. Possibly the Senate Committee erred on the side of caution, but such an error may well be forgiven them. Such is the conclusion that a review of the evidence as presented by the author seems to suggest.

But if that were the whole content of the book, little more would be required of the reviewer. Mr. Baker, however, carries his attack further and assails the whole Canadian banking system, and the further points in his argument need even more careful examination than the first.

The "Capital" Argument

His first point is that the capitals of the banks are too small and this prevents them from giving the people the service they need. Mr. Baker's argument, briefly, is that in order to swell their own profits the banks have not increased their capital as they should have, and that this lead them, when the depression of 1920 arrived, to contract their note issues violently at the very time when every assistance to industry was necessary in order to avert suffering to manufacturer and labourer alike. Had the capitals of the banks been greater they could have increased their note issues and still kept within the requirements of the law, and also would have been able to extend their credits or at least not contract them.

It is hard to believe that Mr. Baker, a banker of long and varied experience, really seriously means that the distress caused by the depression could have been relieved in Canada by the action of the chartered banks. Of course his argument is the pure dyed-in-the-wool inflationist plea. Into all the difficulties and intricacies of that argument in general it is needless to go, but it will be useful to examine the case particularly as it affected Canada during the late depression.

In the first place the depression was world wide, and Canada was simply caught up in the back-wash that has carried Europe to the verge of ruin. Of course the author knows that perfectly well. "World conditions made our recession inevitable," he says (p. 76), "but there was no need of pushing us out of a tenth storey window to save our lives, when we might have been led down the fire escape." The metaphor is, of course, a very strained one, and is more of a flowery figure of speech than an exact illustration. Without for a moment allowing the truth of the assertion, it may be permitted to remark that sometimes desperate circumstances demand desperate remedies.

Erred on Right Side

But how would Mr. Baker have acted in the emergency had he been, say, general manager of the Commonwealth Bank? Would he have contemplated with equanimity the prospect of indefinitely "frozen credits?" He talks of "an adjustment here, a reduction there, first in one line and then in another," which is nothing more than prolonging the agony.

Possibly the banks were a little too drastic, we hold no brief for them, but it looks as if the error had been on the right side, if error there was. The one thing which ought to be understood, and it is hard to believe that Mr. Baker does not understand it thoroughly, is that no bank, or group of banks, can ever make money by ruining its customers; on the contrary it must stand to lose heavily.

The author speaks of "stemming the ebb-tide that followed the abnormal flow of business enterprise, endeavour and speculation." We may very well ask Mr. Baker whether any agency on earth could have stemmed the ebb-tide that carried world wheat prices down headlong? Again, and yet again, we are brought back to that great basic fact that the recent depression in Canada was inevitable as arising from world conditions, and Mr. Baker offers no convincing argument that the Canadian banks could have rescued the country from its effects. For the American local bank system the author has a great admiration: did they allay the slump that affected the United States as well as the rest of the world? Did they stop the disastrous fall in cotton? They had to fall back on the boll-weevil to help them out.

Over Multiplication of Branches

Mr. Baker then attacks the multiple action of branches, contending that they raise the interest rate and restrict the giving of the fullest amount of credit by increasing the expenses of banking service. Here the author is on surer ground, and we may admit the truth of some of his assertions. The fair-minded observer is forced to admit that there has been in some cases an over-multiplication of branches. This has been to some extent forced upon the banks, sometimes against their better judgment. Mr. Baker's cry is for more banks and fewer branches. Without admitting the truth of this policy, it may be allowed that possibly such would be beneficial. But it is hard to understand how the founding of the Commonwealth Bank would have helped things along by merely adding to the multiplication of branches. Of course the arguments leads, as Mr. Baker clearly sees, to the local bank system, and the book closes with a fine bit of rhetoric from an American banker who says a great deal of the "cancerous growth of branch banking" in the United States and also refers with a good deal of contempt to the Canadian system which "has paralyzed her growth." It is unfortunate that Mr. Baker should have included this, because it really obscures the issue. The author is not, presumably, ready to scrap the entire Canadian system in favor of strictly local banks. Why then does he introduce the remarks of this very eloquent and flowery gentleman from Waukesha, Wis.? We do not mean to divert attention from the point at issue by beating the patriotic drum, but Mr. Baker drags this gentleman in for reasons not perfectly apparent, and we may be pardoned some slight resentment at the tone of his remarks.

If Mr. Baker would write down, even on half a sheet of notepaper, just what he wants, the issue would be clearer. In the meantime it is hard to believe that the present book has added anything very much to the subject.

Royal

W. A. Butchart, for eleven years manager of the Vernon branch of the Royal Bank, has been transferred to the Rossland branch.

G. Curwen, manager of the Clayburn branch of the Royal Bank has been transferred to Vernon.

SHARP MANAGER UPSET PLANS OF WILY BORROWER

Took Over Stock and Got The Bank's Money Back

Keeping wide awake and in touch with conditions pertaining to those who are on the debit side of the bank's accounts has served to kill two birds with but one missile for the manager of one of the smaller branches of the big banks. This man has charge at present of a branch in the Maritime provinces, but he is slated for an early transfer. His wide awakeness and his shrewdness have resulted materially to the bank's benefit and, incidentally, his promotion to a better location with indications of still higher advancement in the course of the next few years.

For several years, this branch manager has been observing those merchants who have been securing loans from his bank on their personal notes secured by their stock. By radical action he has succeeded in preventing his bank from losing perhaps not heavily but considerably in a number of instances.

In one case, the owner of a grocery store who had been in business for five years and had been a customer of the bank when this branch manager took charge, had negotiated for a loan of one thousand dollars on his personal note with his stock as security. At that time the stock was valued at about twenty-five hundred dollars and virtually all paid for.

A few weeks after the loan was obtained, the branch manager noticed the grocer was selling groceries at very low prices. He decided to investigate and he found that the prices were in many instances lower than the wholesale prices. The branch manager then ordered the grocer to deliver goods valued in wholesale prices at the amount of the note plus interest and charges. It was found that the grocer had sold all but about twelve hundred dollars' worth of the stock. The branch manager took charge of the stock until the expiration of the note, when he demanded payment. But the grocer had closed his store and disappeared. Undaunted the manager sold the stock for one thousand dollars, the prices on several of the items having increased somewhat, including sugar, so that the purchaser was making a good buy and the manager saved the bank every dollar loaned. The grocer's move had been intercepted by the wideawake action of the branch manager.

In Dull Season, Mt. Royal Earned Half of Dividend

From Our Own Correspondent.

MONTREAL.—The recent financial statement submitted to the directors of Mount Royal Hotel indicated, it is learned, that the preferred dividends for the period had been half earned during the first five months of operation. The hotel opened December 20, at the beginning of the dullest season of the year, and with allowance for this fact the showing was considered satisfactory by the directors. The busy season is now getting under way and already 27 conventions are booked for the next few months, while tourist traffic is commencing. The hotel is all financed now and the last of the convertible debentures are being placed with the public. There are at the present almost 4,000 shareholders.

Fred Watt of the London branch of the Canadian Bank of Commerce has been transferred to Toronto.

BANK OF MONTREAL PROFITS $2,209,125

Strong Liquid Position Shown in Half-Yearly Report of Bank

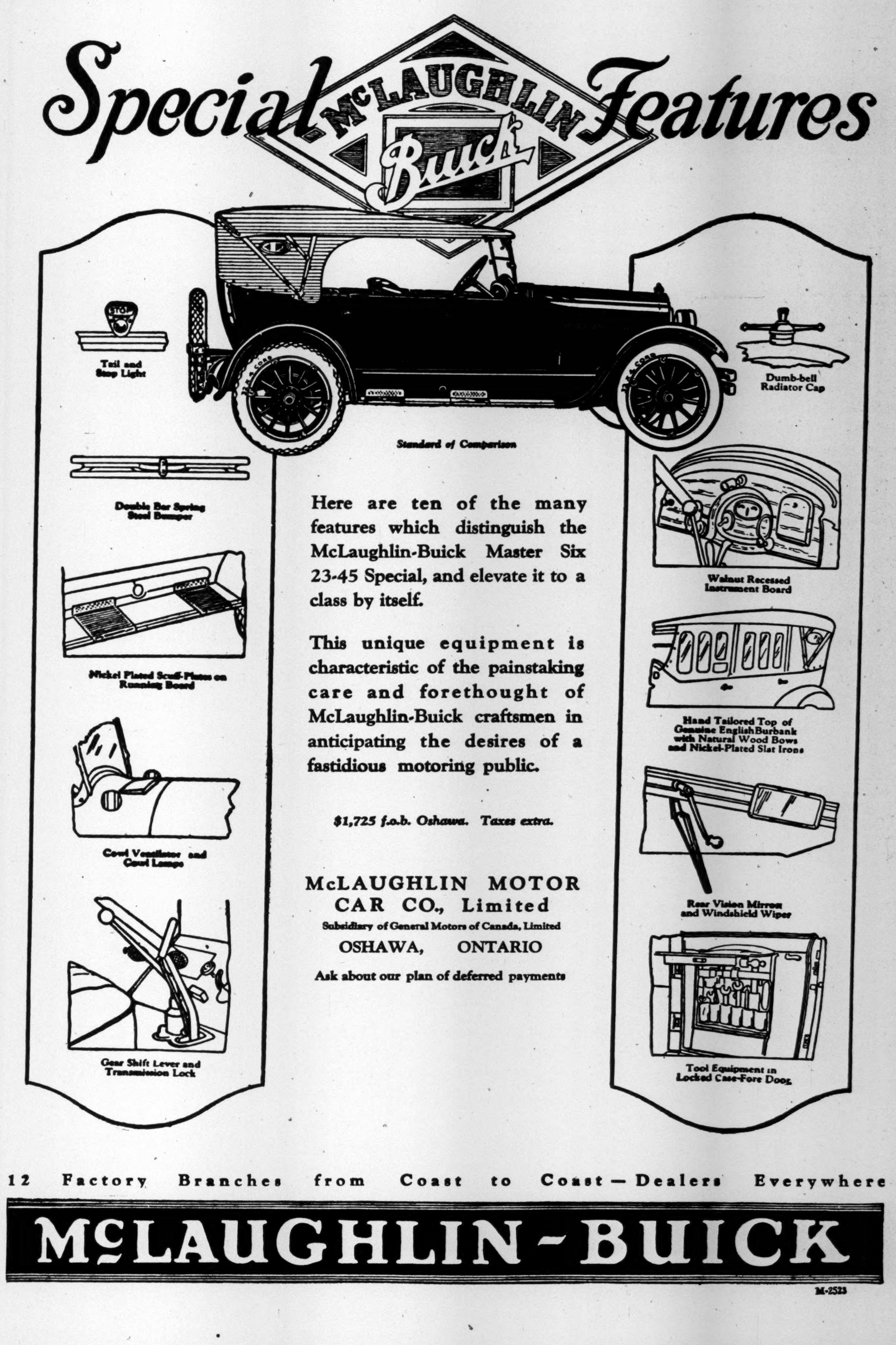
From Our Own Correspondent.

MONTREAL.—Strongly placed as to liquid assets, the Bank of Montreal in its half yearly statement for the six months ended April 30 last, indicates the continued contraction in credits that has followed upon somewhat lessened business activity. Percentage of quickly available assets to total liabilities to the public stands at 60.86 per cent. as against 58.9 per cent. at the end of the fiscal year in October.

Profits for the six months period totalled $2,209,125, a small reduction from the profits for the same period a year ago, when they totalled $2,221,426. Total current loans and discounts are reduced from $299,278,332 last year to $274,733,020 this year. This indicates sound contraction of credits in Canada.

Profits for the six months period totalled 8.11 per cent. on the paid-up capital, or 4.01 per cent. on combined capital and reserve. It is somewhat difficult to compare the profit and loss figures with those of a year ago, for during the former period the Merchants Bank was being absorbed. Dividends to shareholders have been somewhat increased and a tax reserve of $250,000 has been set up. Finally $324,125 is added to profit and loss account bringing the balance to $882,940.

There is a gratifying increase in savings deposits indicated in an increase from $401,852,088 to $413,363,158 in deposits payable after notice. Total assets stand at $655,608,249, as against $653,869,071.



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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, MAY 25, 1923

THE SHAREHOLDERS' INTEREST

IN TRYING to put teeth in the new Bank Act the theory seems to be that the directors especially should be held responsible and in order to insure their regular attendance at the board meetings, it is proposed that the annual report of the board to shareholders shall contain a detailed record of the attendance of each director. One great drawback of this is that it does not check up the quality of the work done at the board meetings and it is the quality of his advice rather than the quantity that decides the value of a director's services to the institution.

Much is said also as to the rights of shareholders but little as to their responsibilities which as a rule they take very lightly, the vast majority never even taking the trouble to attend the annual meetings. This is true of shareholders of banks as well as corporations—unless of course, something goes wrong, reduction of dividends perhaps, or possibly the price of the shares on the market has fallen. Then the attendance may be big and the criticism vigorous though seldom if ever constructive. So long as the dividend is regularly paid and the price of the securities on the market is steady the average shareholder takes so little interest in the handling of the affairs of an institution that often special efforts must be made to insure the attendance of a sufficient numbe to form a quorum. The main reason why luncheon is provided for shareholders in some institutions on the day of the annual meeting is to make certain of having a quorum.

In England shareholders' meetings are not the colorless gatherings they are here, but real discussions in which the shareholders freely give their opinions of the policy of the company and hear the explanations of the chairman on the various points on which information is wanted. I is said that one reason for this is the large leisure class in that country who depend on their various investments for their income. Some have stated that here and in the United States, where also the shareholders are lax, all that a shareholder wants accurate information for is that in case it is bad he may be able to unload his holdings on the market before the public get the news and if it is good to increase his holdings before the price rises. This is also true in England where the shareholders do come to the meetings and one chairman of a railway whose report was unfavorable found that before he had finished reading most of the shareholders had disappeared as soon as they realized the state of affairs disclosed by the report. They left the meeting to try and sell their shares before the news got out.

THE WEST'S CREDIT PROBLEM

WHILE the plan of long term payments on a thirty year basis, which has been adopted by the Canadian Pacific Railway, is recognized as constructive from the standpoint of that organization in regards to its land policy and likely to influence land sales in general, it is not expected that the situation affecting the mortgage companies will be materially changed. Mortgage loans and land sales are different propositions. The mortgage companies explain that borrowers do not like long terms and that a thirty year basis would not be satisfactory. Besides they are merely agents in loaning the funds of depositors and debenture holders, while the Canadian Pacific is selling land which it owns and which was largely secured through government grants.

The policy of the mortgage companies too is to keep closely in touch with individual mortgagors and to arrange terms best suited to the position of each, no general scheme they say would be satisfactory.

It may be expected that Progressive politicians will take the usual course of making a play for farmer sympathy by suggesting that the government should take some steps to provide long term loans on the general plan of the Canadian Pacific credits. There are dangers in this direction. Speaking in the House of Commons of the system of credits for farmers advocated on behalf of the Canadian Council of Agriculture, C. M. Bowman, of the Mutual Life Assurance Company, said:

> "I just want to say this in all frankness, and all candor, as I believe it is true, that the Dominion Government and the provincial governments want to be extremely careful under existing conditions, before they take any definite stand. It is true that in Denmark, Germany and many other countries they have been operating for many years very successfully, along certain clearly defined lines of rural credit. But I again say that, as far as the West is concerned, before it is safe for any government to carry extended operation of that kind, you have got to get the present mess cleaned up to some extent."

If the individual farmer is permitted to work out his own problems Western Canada will be in a much stronger position than if the government establishes a fund into which workers and deadbeats alike will be able to dip their hands to the discouragement of that work and industry which, in the long run, must be the basis of successful development.

MISCHIEVOUS STORIES WILL NOT HELP

RECENTLY THE FINANCIAL POST suggested that steps be taken to answer the questions as to whether or not there is coal to the west of Sudbury. Government geologists have thrown considerable cold water on the possible commercial value of such deposits. The promoters of companies interested in the venture have responded by attacking the good name of the geologists. One of those promoters in discussing the matter with THE POST said that the Pennsylvania people had it fixed so that the geologists dare not make a true report. Now, Stewart Hood, connected with the British Colonial Co., gives vent to sentiments somewhat similar only he has made them public. He was addressing the Lions Club of London, and among other things is reported by the London Advertiser as saying:

> "Only within the past eighteen months have these territories been developed, but work on them has been crowned with success. Unfortunately, the department of mines of Ontario presented an adverse report on the value of northern coal findings This, Mr. Hood declared, was not only unfair, but it did not take cognizance of the Sudbury coal district's possibilities Cyril Knight, provincial geologist, admitted recently he could not give a favorable report on northern Ontario coal, owing to the many subtle influences which pervade the government. If he were allowed to make an unbiased report, he would say the coal was the best obtainable, but his hands were tied."

These are mischievous statements. Of course, Mr. Knight denies them in toto. Ontario's geologists are fine men, headed by the great Dr. Miller. If they wanted to go "crooked," and no other construction can be put on the words of their accusers, one can hardly picture them passing up such possibilities in the gold and silver fields to stoop to a proposition like the Sudbury coal venture.

One of the big points, as we see it, in regard to the Sudbury coal proposition is, that if there was coal in the Chelmsford district, as is alleged, the whole country would be burning it and shipping their wood to the centres of population to sell. The district in question is populated to a man by hardy and thrifty French settlers. They are keen farmers. If there was coal there they would have found it out and developed it for their own use. Some say that one or two farmers are burning it. If it was what it is claimed to be, all would be burning it. The fact of the matter is that the so-called anthracite deposits have been known to exist for 30 years. Fully that long ago companies were organized in Sudbury to mine them. They are still there.

One can hardly see what the promoters of these ventures can hope to gain when they attack the geologists. Certainly they are not strengthening their cause—if they have one.

RADIALS WHERE NEEDED

BECAUSE of the proposal of Sir Henry Thornton to operate certain radial lines in the Niagara Peninsula in conjunction with the National Railways, the Toronto Globe jumps to the conclusion that Sir Adam Beck's ambitious plans to invest a couple of hundred millions in electric railways is sound. The Globe is, of course, all wrong. Sir Henry's pronouncement really means that where electric lines can be operated to advantage the National Railways will meet the situation.

It is one thing for experienced railway builders and operators to construct feeders where the business warrants and another for faddists to plan an extensive duplicating system where there is prospect of little traffic and where the only justification is a propaganda-fed local desire to have a railway which the people are assured "will never cost them a cent" in any event.

WHERE PATERNALISM IS LEADING

> "Unfortunately we took the instructions of the board (of Commerce) seriously as we know it was established under the War Measures Act and we believed that it could do what it threatened to do."
>
> "If we had known that the Board of Commerce had no power to carry out its promises we would have refused absolutely to carry out its instructions."

J. W. McCONNELL, president of St. Lawrence Sugar Co., thus addressed the Commons Agricultural Committee in regard to the recent rise in the price of sugar. His words indicate the extremities to which governmental interference has driven business. It is the inevitable result of the wave of paternalism that is sweeping the country. The law makers are sacrificing business on the altar of politics. Mr. McConnell's statement indicates the experience of the sugar refiners. The government's policy of repudiating the promise of its own child, the Board of Commerce, cost the sugar refiners $19,000,000. It was an act of political expediency. The promise went to a section of the community where the votes were few. It will naturally be many a day before the refiners will take seriously, or lend their co-operation, unless forced to, to any new legislative movement. And now they are being pestered by the Agricultural Committee to explain the rise in the sugar markets, a rise due to a shortage of supply over which they have no control.

EDITORIAL NOTES

"POOR AS A PARSON" has been a descriptive phrase for ages. Now the Rev. John K. Paxton, long a clergyman in New York, dies and leaves a fortune of $1,100,000. The money was made, it is explained, by fortunate investments under the guidance of influential friends.

• • • •

IT IS POINTED out by the Grain Trade News that the voluntary action of the Canadian Pacific Railway in making new and easier terms to land purchasers is an indication of the ability and willingness of private enterprise and capital to meet conditions without any legislative interference.

• • • •

IN EXPRESSING the belief that Premier King's anti-combines bill will become law because there is a House majority behind it, Canadian Grocer doubts whether it will ever become operative. The point is made that similar legislation, notably the bill creating the Board of Commerce, has been declared ultra vires. This might mean that both the government and the individual manufacturer or dealer would be put to a great deal of expense for nothing, whether there was any real evidence of guilt or not.

• • • •

TO GET MEN on farms who can produce food at prices that the consumer can afford to pay is the greatest problem of the nation, according to D. H. Otis, agricultural director, American Bankers' Association. If this is the greatest problem of the United States it is even more emphatically a great problem in Canada. Mr. Otis argues, on the other hand, that the man on the farm should work hard and produce at the lowest possible cost, while, on the other hand, he should be protected from profiteering in the prices he pays for his land and for the necessities of production.

• • • •

THE COUNCIL of the American Bankers' Association views with regret the evident tendency towards centralization of power in business matters in governmental bodies and bureaus. The increasing number of laws interfering with the normal operation of economic law complicates unwarrantedly our proper business procedure and unnecessarily adds to the expense and difficulty of business activities. The constant and futile effort to solve business problems by legislative enactment and to inject government into competitive business enterprises works a serious hardship not only upon the business directly affected but upon the entire body of taxpayers because of the inevitable loss and waste that attend all such government efforts.

George J. Gould's Career From Boyhood in Wall Street

His Greatest Adventure the Projection of a Transcontinental Railway System That a Panic Blocked

Wall Street Journal.

On his twenty-first birthday George J. Gould, who died at his French villa last week, became a member of the Stock Exchange firm of W. E. Connor & Co. No young man ever had such close-up relations with speculation on the grand scale. Yet George Gould never but once was in any ordinary security market way a speculator.

Jay Gould, his father, was a special partner in the firm, whose office at 71 Broadway—connecting with Russell Sage's—was his personal headquarters. Here were conducted many of the famous Gould campaigns. There on one occasion William H. Vanderbilt called to sign a treaty of rate-making peace. There Addison Cammack, greatest of bears, received the biggest market order ever given in Wall Street prior to the Sugar Trust carte blanche of the Havemeyers to James R. Keene, itself later overshadowed by J. P. Morgan's United States Steel employment of Keene. In that office Charles F. Woerishoffer did collecting on a pool account that yielded him half a million dollars for under-the-cover participation. There, with the boy broker of the Gould family given opportunity for full knowledge, urged even into the detail work of wizard manipulation, was played many an unpublished drama of the middle Wall Street years of Jay Gould.

George Gould chose a clerkship in the Connor office rather than the Princeton College course that his parents suggested. He went through an apprenticeship that made small allowance for family relations. At the start he hustled with other office boys—and the wages he receipted for were precisely like theirs. Possibly he didn't quite "live" on those earnings; elder members of the family thought not. But he was steadfast as to arriving early, quitting late, standing the gaff of tough errand going—for he was for months one of the "runners" of the firm, delivering and receiving securities and checks at cashier's windows where the eternal scoldings are. One of the jests that floated in the Stock Exchange district was credited to William B. Wheeler, a bear usually on the firing line against Gould quotations. "The boy," Wheeler said, "is going to save up his weekly wages till he has enough to buy 1,000 shares of Missouri Pacific at what it's really worth—and it may take him almost a month."

His First Distinction

In Missouri Pacific, George J. Gould achieved his first distinction as an actual influential factor in the larger Gould affairs. The Atalanta had been turned over by the Cramps to Jay Gould, and he had gone on a long vacation cruise, leaving Russell Sage as an advisory guardian of his corporation matters, George lifted up for the first time into the powers of executive in chief. Missouri Pacific stock was during that yachting voyage continually in a ferment. It was, in the slogan of boom circles, "paying 7, earning 11"—ample margin to encourage hopeful spirits to keep busily predicting that an increased rate was coming at the next directors' meeting.

In the midst of that pleasantry, the Atalanta came in at Florida port, and the son scurried south to welcome father home—following the directory session which acted upon the dividend "subject to approval." What ensued was summarized in Jay Gould's own explanation to agitated ones.

"George is certainly conservative. I think he might have left the old rate of 7 stand. It seems really a little extra cautious to have cut the figure down."

What Mr. Sage thought, with his own private load as Missouri Pacific's market went smashing, he never could work out in proper Presbyterian language. Yet George Gould was always a Sage favorite in those days. At one time it was believed that George and his sister would be large sharers in the Sage fortune when distribution came. But when broad philanthropies occupied the multi-millionaire's mind in his closing years, George and Helen Gould were earnest persuaders that he do just what finally he did do.

The Wabash Incident

Wabash was the star family stock in George Gould's first year in the Stock Exchange firm of W. E. Connor & Co. It was in that that he made his first—close friends insist his only—real out and out market manipulative speculation.

Wabash statistics as they scintillated in monthly statements translated into annual reports were mightily attractive to one yet apprenticing. George proceeded to organize a "movement." He bought liberally; the price rose prettily. Uptown friends—and in those days evening folks who knew George Gould were not few nor distant—learned of the good thing. Young Mr. Gould's guarantees went with some of the purchases that intimates made. It was so easy to prosper on the Stock Exchange that the sponsor for the cheerful way of the tape was not merely himself happy but in the midst of joys unconfined.

His line was long, on every share of it a profit. But before anticipated top notches were reached something curious seemed happening. Buying orders were abundant, but quotations stood still. Nobody seemed to be trying to cause depression. Indeed, the whole Street was applaudingly bullish. What was strange was that no matter what information was emitted, what brokerage activity produced, the quotation every night insisted on hanging around one price. "Pegged" better than that. He was intent on having his ambition round out, his higher quotation predictions made good. Could the endless supply of stock be all short-selling?

One morning he said to a partner in the firm: "I am obliged to go uptown for the afternoon. I wish you would personally look after Wabash from 1 to 3 o'clock. See that it holds its own. Take whatever stock is necessary. You need not bother father about it. He doesn't have time to pay attention to what the market is doing."

George went his way. Partner went to father. "Looks to me as if George were a little out of luck," said he. "Wants me to look after some Wabash he is interested in."

"I hope," quoth the agreeable parent, "the boy makes his landing all right."

"That's what I wanted to speak about," observed the partner. "As I am looking after the stock till 3 o'clock, I would consider it a personal favor if for those two hours you didn't 'land' him too hard."

It wasn't because his feelings were hurt that Jay Gould laughed and laughed all that afternoon through.

Years after when, as frequently occurred, Wall Street was reveling in "inside information" of market plans to which George Gould was committed, Mr. Connor said to his friend, George's father: "The Street is betting on what George is doing."

"Not our George," said Mr. Gould. "That little excursion in Wabash was a round trip for him. He won't be repeating." And it is to-day the opinion of Washington E. Connor that Jay Gould's view was correct. He does not believe that there has ever been foundation for tales representing even remote participation in market manipulation.

Some of His Friendships

Just after 1900 George J. Gould and E. H. Harriman came into close relations. They made large sums together. Then suddenly they fell apart. But before Mr. Harriman's death the two came again into friendliness.

It was with J. P. Morgan that George Gould had his sharpest difference. Difficulties between them were engendered by Mr. Gould's ambition—his far advanced plans—to establish under his own direct control a complete transcontinental railway system. He put all the precedents of his father behind him in that enterprise. He acted upon individual initiative. He declined to listen to any dissuading advisers, though it was pointed out that he was challenging both railway and banking potentates.

Andrew Carnegie had made an alliance with him; he was in Pittsburgh, hitherto regarded as utterly forbidden territory. He was in rich eastern coal districts. Western Maryland, Wheeling & Lake Erie, the wide relationships of Wabash were all at command. Missouri Pacific, Denver, Western Pacific, put him to the western seaboard. Multitudinous millions his materialized visions represented—not in prospectuses but in actual expenditure. He had extended old lines, built new systems.

The Pennsylvania Railway was particularly flaunted. Mr. Morgan learned that Myron T. Herrick was in close relation to the impending perfection of the gigantic adventure. Herrick showed himself to be but a lesser associate. The keystone of the transcontinental arch was Washington E. Connor's Wheeling & Lake Erie Railway. Morgan summoned A. J. Cassatt. The Pennsylvania must be resolute—must not hesitate to face such an emergency as not hitherto had been confronted. Connor revealed his commitment with Gould; he would not consider any manner of diplomacy that might be objected to by George Gould.

Finally, Myron Herrick persuaded Mr. Gould to accompany him to Mr. Morgan's office.

"You have no business in any such business as this," bluntly spoke Morgan.

"That's your opinion. I am staying in," answered Gould.

But Gould could not hold on against the paralysis of panic. Money market, security market, all things sensitive to credit, fell into discord. Clear-visioned calculators had been prophesying such a convulsion. Speculators on every side, of every phase, had been pyramiding frenziedly. But the collapse was a surprise and a destroyer to myriads widely extended. George J. Gould with all his stupendous resources found himself pinioned.

The End of the Dream

One thought was that E. H. Harriman might like to take on the undertaking. Previously he had shown much concern over it—had even suggested that if Mr. Gould, before he got through, should happen to change his mind about being exclusive proprietor of the enterprise, he would be "ready to talk things over." But Mr. Harriman, when the opportunity arrived, said without any manner of disguise as to what controlling facts were:

"Yes, I would like to step in and put on the finishing touches. I can't. I haven't the necessary money. I do not know where or how to get it."

There ended the most comprehensive dream that any one railway man ever attempted to fabricate into reality. C. P. Huntington entertained once the complete transcontinental system vision; but he individually, had relatively small part to play in that plan—he was to be the expender, not the personal supplier of the tens on tens of millions involved. George Gould stood alone, marched alone—and within a jot of touching distance, failed alone. And no man heard him once whimper.

Bank of Nova Scotia Mourns Its G.M.

H. A. Richardson, general manager of the Bank of Nova Scotia, who died recently, was looked upon in banking and business circles as one of the Dominion's most solid and practicable bankers. He had a high conception of the responsibility of the bank and adhered to the solid principles of banking. The past few years have imposed on all bankers a tremendous burden. Mr. Richardson did not escape and as was the case with W. Moffatt, of the Imperial Bank, his early demise (he was only 61), was in a good measure attributed to the shouldering of this task.

That so many general managers carry personally this great load is subject of discussion among leading financial and business men. Is this necessary; or could the big bankers follow the practice of other leaders to a greater extent than they do and delegate a larger measure of responsibility to those about them? In all these banks there are other strong men; able to bear big burdens, and the division of the load would save for longer usefulness such men as Mr. Richardson.

Mr. Richardson has been associated with the Bank of Nova Scotia since 1879, when he joined it at Halifax as a junior. Since that time his rise has been steady until 1910, when he was elevated to the post he occupied at the time of his death. The late banker was a native of Nova Scotia, his father being a clergyman, Rev. Samuel Richardson, Cape Breton. It was in 1890 that the first promotion of importance came to Mr. Richardson when he was sent to Sussex, N. B., as manager. Later he was twice manager at Charlottetown, P. E. I., the latter time until 1900, when he was transferred to Toronto as manager of the King Street branch. Ten years later, when H. C. McLeod retired, Mr. Richardson succeeded as general manager. His period of office was marked by growth and expansion. Two years after he assumed the general managership, the Bank of New Brunswick was absorbed, and two years later the Mertopolitan Bank, and then in 1919 the Bank of Ottawa. To his skill in financial matters, perseverance and hard work is due a great deal of credit for this expansion. It was in 1917 that his fellow bankers chose him as vice-president of their association, and he has held that position right up to the time of his death. Mr. Richardson was well known in club circles as a member of the National, York, Toronto Hunt, and R. C. Y. C. He was a director of Canada Life Assurance Company. It was a tribute to his personal qualities, as well as to his outstanding ability as a banker, which brought leading men from all parts of Canada to his funeral.

PERSONALS

DRAPER DOBIE, who has just been elected a member of the Standard Stock Exchange, is a native of the Northland, having been born at Bruce Mines where his family had settled in 1850 and has been more or less associated with mining development ever since. Mr. Dobie began his business career at St. Catharines as secretary of the general manager of the Niagara, St. Catharines and Toronto railway in 1898. In 1910 he was sales manager for Packard Cars in Ontario and in 1912 joined the Dominion Securities Corporation and was their representative at Ottawa until 1914 and since that time has carried on a brokerage business of his own. The firm will be known as Forrest Dobie & Co.

FRED W. MOLSON, who has been elected to the board of directors of the C.P.R. to fill the vacancy caused by the death of R. B. Angus, has had a large and varied career in business and finance. Less than a year ago be became president of the successful bank that bears his family name, and the number of commercial corporations upon whose boards he sits runs into a score. A period of residence on the Pacific Coast has made him familiar with conditions in that part of Canada, while travel, interest and observation have acquainted him with Canada from east to west. The Molson family is one of the oldest in the Dominion. The Montreal Gazette points out that it is meet, indeed, that one whose ancestor more than a century ago was the pioneer of steam navigation on the St. Lawrence, if not in America, should now be associated influentially with one of the greatest of the world's transportation systems, the Canadian Pacific.

TYPEWRITER IS 50 YEARS OLD

President B. L. Winchell of the Remington Typewriter Co.—and, by the way, formerly director of traffic on the Union Pacific system—draws attention to 1923 as the 50th anniversary of the typewriter.

Mechanical writing began more that 50 years ago. Records in the British patent office show that 209 years ago an English engineer had a device for mechanical writing. The first American patent on a typewriter was issued in 1829. Nothing practical was produced, however, until 1873 when Christopher Latham Sholes interested the Remingtons in the manufacture of his invention.

Mr. Winchell contends the typewriter is one of the greatest of inventions, because it conserves the very highest quality of brain labor—that of executives who previous to its invention had to do much difficult manual labor which they dispose of now by merely signing their names to dictated letters.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

WESTERN DRYDOCKS

B. H., Toronto—A widow asked for my opinion on the Western Dry Dock & Shipbuilding Company. Do you think she should put any money in it, or would you advise municipal bonds instead?

The company has paid preferred dividends regularly and the bonds are secured by a first mortgage. However, there is not a wide market for them if the holder should want to sell. We would not advise a widow to purchase these bonds unless she has a big reserve of government or municipal bonds.

HIGH CLASS

C. R., Nova Scotia—Please give your opinion of Canada Permanent Mortgage Corporation 5½% bonds and Toronto General Trusts Corporation 5% guaranteed investment receipts. Are they transferable?

The 5½ per cent. debentures of the Canada Permanent Mortgage Corporation and the 5½ per cent. guaranteed investment receipts of the Toronto General Trusts Corporation, are highly rated from an investment standpoint. This is indicated by the fact that both are authorized by legislation for the investment of trustee funds. These debentures and receipts are transferable by endorsement on the document and by notification of such transfer to the head office. No charge for transfer is made.

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ADANAC TEXAS OIL

J. G., Toronto—Several months ago I purchased fifty shares of the Adanac Texas Oil Company, whose head office is located in the Stair Building, Bay Street. If you have any information on hand regarding the above company, will you be kind enough to forward me to me.

Adanac Texas Oil is a Canadian concern, as you doubtless know, that is drilling in Texas. Being a shareholder you doubtless have had a copy of the prospectus and so are familiar with the holdings of the concern, share capital, etc. B. W. Somers, financial agent, says about $125,000 in stock has been sold.

It is rather difficult to pass on these oil propositions. You get glowing reports of the progress they have made, especially after they have one well in, as this concern has. It is producing 30 barrels daily. They are sinking a second now.

CANADIAN PAPERBOARD

Reader, Timmins—I shall be glad if you will kindly give me your opinion of the Canadian Paperboard Co. bonds. I am thinking of investing $500 in same but before doing so seek other advice, hence ask if you consider it a wise move. I am renting three small cottages in the mining district, but knowing how hazardous this industry is and the possible consequent rapid depreciation of such property, by applying the revenue obtained, desire to provide some kind of a sinking fund to offset such possible conditions. Can you suggest a better method?

These bonds appear to be good in their class as they are secured by a first mortgage on the property of the company, which has been successful in a growing field. They are not, however, as easily sold as good government and municipal bonds if you should need your money at any time.

Your plan of building up a fund to offset depreciation is a good one. Invest it in good bonds or mortgages.

ALBERTA PETROLEUM

Subscriber, Saskatoon—I have 500 shares of par value of $100 each in the Alberta Petroleum Consolidated, Ltd. I would be pleased if you could tell me if they are of any value and if such a company is known to you, as I have heard nothing more about them since I bought the shares in 1917.

Our information is that there is absolutely no market at present for shares of the Alberta Petroleum Consolidated, but that the company is in existence, and although no development is being done, it is understood that efforts are being made to keep the principal oil leases in good standing. The head office is in Calgary.

The whole Alberta oil situation is showing improvement and it is quite possible that the development work now taking place in the southern part of the province will extend to the fields south and west of Calgary where the Alberta Petroleum Consolidated holdings are located. Ultimately, therefore, some discoveries may be made in this field.

BRITISH NATIONAL ASSURANCE

F. L., Toronto—The British National Securities are offering preferred and common stock for sale in the British National Assurance Company, which is to be a Canadian concern, doing a general insurance business. What do you think of this as an investment?

The stock you were offered was no doubt that of the British National Securities Corp., a company organized to carry on an insurance and bond brokerage business. It is intended that this company will purchase the stock of the newly organized British National Insurance Company. The men in control are well known and reputable business men. Many insurance companies have made a great deal of money. Management appears to be the important factor. This proposition is necessarily somewhat speculative at this stage, but the men interested have had considerable experience in the insurance business and the prospects for success are good.

FIRE INSURANCE

Subscriber, Thorold—Will you kindly advise as to the stability of the following fire insurance companies: Dominion Fire, Provincial, and Wellington? I might state the object of asking is we are carrying $30,000 insurance on a public school, distributed among the above companies together with the Union, but the latter having gone into liquidation makes us feel uneasy about the others.

As the companies you mention maintain assets in Canada in excess of liabilities and are regularly licensed to do business, they are safe for placing fire insurance. The Wellington Fire Insurance Company is an Ontario company with an Ontario license. The digest of insurance returns given in our April 6 issue was that of the Dominion department, in which this company is not registered.

In placing your insurance with tariff companies you know exactly what it will cost beforehand, whereas in mutual companies the ultimate cost may be lower with the possibility of an extra assessment if losses are high. You have to make up your own mind which form has the most advantages.

WEYBURN SCHOOL DEBENTURES

Grateful Subscriber—We have placed here some $8,000,00 of District No. 512 School Commissioners of Weyburn, 6½% twenty-year debentures.

One of our customers wishing to make a trade was offered 90 by a firm of reputable brokers, with the remark that they did not understand why such debentures were placed on the market.

In view of the financial troubles of a few small western municipalities, we would greatly appreciate your views of the soundness of Weyburn; we have placed these debentures believing them to be absolutely sound values, and would rather take them back and stand the loss if our customers are to suffer.

A Grateful Subscriber.

The security behind Western school bonds depends on the individual district considered. Some have been satisfactory to investors, while in other cases difficulties have arisen. One unfavorable feature is that the market for selling such bonds is limited. Unless the investor has all the facts regarding the district in question it is best to avoid bonds of this sort. The school district makes a demand on the municipality, which collects the necessary taxes. Consequently the security of the school district depends largely on that of the municipality. The net debt of Weyburn is very high, the taxes levied in 1922 being 81 per head. On the other hand, the municipality is making an attempt to work out of a difficult situation. The investment may work out satisfactorily but it is not one for a small investor or one dependent on the interest for an income.

GREAT WEST LOAN

Reader, Regina.—Re. the Great West Permanent Loan Company. In the early part of the year, a couple of so-called banking institutions found it necessary to close their doors in Winnipeg, and a large number of small depositors found themselves short of their savings. The idea of this enquiry, therefore, is to gain some information as to whether you consider the above mentioned company are doing business on a sound basis.

We do not think any connection can be made between the closing of the doors of certain Winnipeg financial institutions and the Great West Permanent Loan Company. There was nothing in common in the conduct of these institutions. However, the affairs of the Great West Company cannot be regarded as being in a very healthy condition. The company made loans on city property of a commercial character to an extent which, owing to the slump in real estate values, has tied up large sums of money. The Marlborough Hotel is typical. This undertaking—originally launched as the Olympia—now involving an investment of about $2,000,000, has yet to show profits. The Great West originally advanced $350,000 on mortgage and with additional advances and arrears of interest this has been increased to $940,795.

The superintendent of insurance in his report for trust and loan companies for 1921, reduces the gross assets of the company given at $6,242,869, to $5,419,003. Of this $411,230 represents the market value of real estate under book value. Mr. Finlayson's report shows a deficit of profit and loss of $412,685.

It would, therefore, seem that to put the affairs of the Great West Permanent Loan in a strong position will require profitable returns on such business property as the Marlborough Hotel.

INTERNATIONAL MILLING

D. P., Toronto—Re International Milling Company doing business in Western Canada, incorporated in the State of Delaware, 7% sinking fund preferred stock. In what class would you put this as an investment? Does it lose anything by its American incorporation? Is the management good and have they a good general demand in Western Canada for their products?

The International Milling Company operates in Western Canada, in Iowa and in Minnesota. It was incorporated on June 7, 1910, in Minnesota—not Delaware. It took over the assets and business of the Saskatchewan Flour Mills Company, Ltd., of Moose Jaw, Sask., and New Prague Minnesota Flour Mill Company, with several subsidiary companies. In April, 1912, the assets of the Calgary Milling Company were acquired. The company owns and operates mills with the necessary elevators, etc., at Moose Jaw, Sask.; Calgary, Alta.; Davenport and Sioux City, Iowa; New Prague, Blue Earth and Wells, Minn. Combined mill capacity is 12,000 barrels of flour and 1,600 barrels of cereals per day; elevator capacity 2,250,000 bushels.

Dividends at the rate of 7 per cent. per annum on preferred have been paid since February, 1912. On the common dividends have been paid as follows: 68% in cash, of which $229,300 was reinvested in common stock in 1914; 50% cash in 1915, calling for $400,00 of which $160,000 was reinvested in common stock, increasing the outstanding amount to $960,000; 31% in 1916, of which $40,000 was reinvested in common, increasing the outstanding amount to $1,000,000; 47% in 1917, of which $250,000 was reinvested in common stock, increasing the outstanding amount to $1,250,000, and 40% in 1918, of which $275,000 was reinvested in common stock, increasing the outstanding amount to $1,525,000; 1919, 16% in cash; 1920 stock dividend of 40%, $457,500 and cash dividend of 16%, of which $117,500 was reinvested in common stock, increasing the common stock to $2,100,000. This you will appreciate is a really remarkable record of profits. The total net from 1914 to 1921 averaged over $500,000 a year and was only slightly under $400,000 in one year—1921. The high mark was in 1919 when $647,025 was reported. Of these profits only about $80,000 is required for preferred dividends.

MARITIME LIFE

Reader, Falmouth.—Regarding Maritime Life Insurance. The first call on the insurance stock is twenty-five dollars on account of the stock and twenty-five dollars as a premium. What are the possibilities of the balance being called, and how long do life insurance companies usually operate before paying a dividend?

It is customary for life insurance companies to call only a small proportion of their par value of stock and to charge an additional premium as is being done in the case of the Maritime Life Insurance Company. The premium pays the cost of organization and in addition provides the company with a surplus. While it represents capital invested in the company it does not have to be shown in the liability side of the balance sheet.

If the company is successful from the start it is unlikely that a second call upon the shares will ever be made. On the other hand should the company meet with difficulties and have expenses and losses out of proportion to its premium income, further calls would be made upon the stock and the shareholders would have to meet these. In the case of most Canadian life insurance companies these additional calls on the stock have not been necessary; on the other hand, there are two or three smaller companies that have had to call for further payments on the stock.

Perhaps a worse feature than that is the continuous selling of new blocks of stock by some of the weaker companies. There is one company, for instance, that has been in business for a number of years, and has sold new stock every year. The actual insurance operations of the company have been conducted at a loss, but by reason of the additional premiums on stock selling received every year, the company is in a position to show a nice surplus.

Under these circumstances, with the experience of different companies varying to such a remarkable degree, the success or failure of an insurance company in ordinary circumstances depends upon the question of management and to a smaller extent upon the field in which it operates. The board of directors of the Maritime Life Assurance Co. comprises many of the leading business men of the Maritime provinces and gives assurance of sound control of its affairs. The company is going to operate in a field where there is much inherent wealth and stability. The stock seems to offer every reasonable opportunity for the investor. You ask how long the life insurance companies usually operate before paying a dividend. This, of course, depends entirely upon the success of the company. It is usually a matter of some years, for the policy of the directors should be to build up strong reserves over and above those required by law for the protection of policy holders.

CURRENT OPINIONS

THE GOVERNMENT AND BUSINESS

The Brookmire Forecaster

What is the relationship that should exist between the Government and business? How far is governmental regulation justified in the ordinary process of trade? These questions are prompted by the growing disposition on the part of Congress, and of various executive branches of the Government, especially the Department of Commerce, to interfere with what we know as the normal course of business. This interference is both by direct legislation, and by the advocacy of policies which if followed generally would radically alter the usual process of business expansion and recession.

During the war the country became familiar with a large measure of governmental control of industry. Such control was necessary by reason of the nature of the emergency. But even under influence of war time enthusiasm, and the consciousness of the common purpose, governmental control of productive processes could scarcely be deemed a marked success. The reaction from it was one of the chief factors in bringing in the Harding Administration with its slogan of "Less government in business, and more business in government." The record of this administration in the last two years or more can hardly be considered a faithful following of that policy. At present, if we exclude the war years, there is more actual and proposed governmental interference with business than at any time since the era of regulation and "trust busting" of the early years of the century.

WESTERN VIEWS

Grain Trade News

Newspapers of the Prairie Provinces have, during the past couple of weeks, devoted considerable editorial space to the defeat by the Manitoba legislature of the Wheat Board Bill. This comment runs all the way from disgust with the action to congratulating Manitoba on escaping a serious financial and agricultural menace. But the impression most often expressed is that Saskatchewan and Alberta will not now proceed with the venture.

That this should be the attitude of the Western press is at least indicative of a weak support for the board itself in the more westerly provinces. In the whole discussion, one of the most noticeable points, beyond the unsound arguments advanced in favor of the board, was the complete absence of enthusiasm for the board. The most outstanding men in Western public life were openly hostile and some only voted as asked and not as they thought they should.

Henry Wise Wood, writing in "the U.F.A.", takes a crack at the farmers' government, saying: "Perhaps it would not be out of order in this connection to once more emphasize the necessity of extreme care in the selection of leadership in all democratic movements," anent three cabinet members voting against the measure. The Lethbridge Herald calls the decision "a body blow which threatens to put the proposed board out of business. It now may be considered very doubtful whether a board will ever be established."

The Saskatoon Star is also of the opinion that no board will now be formed, as is the Calgary Albertan. The Regina Leader says the board is dead. The Edmonton Bulletin says the measure was "duly, neatly and permanently dispatched and nobody suffers in consequence." The Moose Jaw Times says to lay the Wheat Board aside and to examine the Dunning scheme.

The general tone of the articles is that Manitoba did the West a good turn. A sigh of relief goes up from all but Henry Wise Wood. The West can now get down to work and prosperity after an orgy of government interference with business. The West generally is glad that Manitoba put a crimp in the advance of "communist principles of compulsion," as the Moose Jaw Times calls the board.

Canada Adds
to
Stock Holdings

An analysis of shareholder's lists of ten large companies, showing striking gains since 1914—one of the interesting features in the new issue of Greenshields Review.

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Premium Received From Bonds in General Funds

A bill allowing the city of Ottawa to use certain moneys received as a premium on bonds sold by the city, for general purposes, was passed by the Ontario legislature, on the understanding that it does not necessarily create a precedent. Section three of the act reads:

> "The said corporation may appropriate and may expend for the general purposes of the corporation the whole or any part of the sum of $157,299.22 received during 1921, and 1922, by way of premium on the sale of certain debentures of the corporation, or the said corporation may expend the whole or any part of the said sum of $157,299.22 in the purchase of outstanding debentures of the corporation."

By using these funds in the manner permitted by the act, the city council will be able to reduce expenditure and keep the tax rate the same as last year.

When informed of the action of the legislature, Mr. W. H. Cluff, former city auditor, who from the start opposed the use of the $157,000 premiums for general purposes, and supplied information which helped to have it first thrown out by the legislature, stated that if it were possible he would like to see the matter carried to the Supreme Court of Canada and even to the Privy Council. He would like to have it decided by what right the legislature could order cities to divert moneys from the objects for which they were intended.

West Kootenay Power Bond Issue Next Week

From Our Own Correspondent.

MONTREAL.—The issue of $1,750,000 of West Kootenay Power and Light Company bonds of the National City Company and Hanson Brothers will be offered next week. Quite likely the offering will be made at par to yield 6 per cent. and if so the issue will reflect the greatly improved strength in the bond market.

The bonds are a general mortgage sinking fund issue due 1943. The capitalization of the company upon the completion of this financing will consist of $500,000 of preferred stock; $3.212,000 of common stock; $1,124,687 of first mortgage bonds under a closed mortgage; $203,000 of closed mortgage bonds of a subsidiary and the present issue. Interest and principal are unconditionally guaranteed by the Consolidated Mining and Smelting Company of Canada, which is largely controlled by the C. P. R.

REGINA'S FINANCES

The City of Regina had a bonded debt of $11,926,156.01, at December 31, 1922, as shown in the auditor's report recently brought before the city council. There are also lesser liabilities, offset by capital assets amounting to $21,121,655.94. The bonded debt is made up of debentures, consolidated stock and coupon bonds.

The city's reserve assets amounted at the end of last year to $2,200,838.49.

In its general fund, the city's capital assets amount to $13,773,821.97, with capital liabilities approximately $10,000,000. Revenue assets in the general fund amount to $2,075,041.60.

NEWS AND VIEWS ABOUT BONDS

LITTLE INTEREST IN BOND MARKET; TRADING IS DULL

Victory Bond Prices Lower But Municipals Remain Firm

The demand for bonds has been extremely dull during the past week, private investors and institutions having not yet become reconciled to accepting the lower rates. The volume of trading has slackened materially. In London a number of high-class industrial issues were readily taken up, but an issue of £20,000,000 government of India bonds proved a heavy load for the market and only half of it was taken up by investors. In sympathy with stock quotations the New York market was weak, though dealers reported an improving retail demand, especially for short term issues.

In Canada Victory bonds registered slight losses, but municipals held well. The new issues to date this year total practically the same as for a similar period last year but an abundance of money for investment acts as a strong force in holding prices.

Speculation exists as to the plans of the Dominion government in its financing this year. It is reported in some quarters that a three-cornered operation may be employed through simultaneous offerings in the United States, Canada and England, and it is rumored that the first of these offerings is expected within a few months.

The issues offered during the week drew many bids but the prices in some cases showed considerable spread.

A. E. Ames & Company purchased an issue of city of Niagara Falls bonds, amounting to $541,756, bearing interest at 5 and 5½ per cent., and repayable in 10, 20, and 30 instalments, at a price of 97.89, a cost basis of 5.49 per cent. The bids were:

A. E. Ames & Co.	97.89
Nesbitt, Thompson & Co. and Gairdner, Clarke & Co.	97.763
McLeod, Young, Weir & Co. and Matthews & Co.	97.301
Wood, Gundy & Co.	92.20
Murray & Co., and Aird, McLeod & Co.	97.03
Municipal Bankers Corp.	94.02

City of Galt sold an issue of $244,550 5½ and 6 per cent. bonds, repayable in 15 and 20 annual instalments, to Gairdner, Clarke & Company at a price of 104.072, an equivalent cost basis of 5.39 per cent. The tenders were:

Gairdner, Clarke & Co.	104.072
Wood, Gundy & Co.	103.647
Dyment, Anderson & Co.	103.591
A. Jarvis & Co.	103.432
Matthews & Co.	103.382
Bell, Gouinlock & Co.	103.337
C. H. Burgess & Co.	103.26
McLeod, Young, Weir & Co.	102.69

Royal Securities Corporation and R. A. Daly & Co. jointly were awarded an issue of $115,000 5½ per cent. 25-year bonds of Campbellton, N. B., at 102.179, or, approximately, 5.35 per cent. The bids were:

R. A. Daly & Co. and Royal Securities Corp.	102.179
A. Jarvis & Co.	101.53
A. D. Morrow & Co.	100.72
Eastern Securities Co.	100.718
Dominion Securities Co.	99.537
Thomas, Armstrong & Bell	97.25

An issue of $68,000 town of Campbellford, Ont., bonds was sold to Matthews & Co. at 106.18. The bonds mature serially from 1927 to 1950 and bear interest at the rate of 6 per cent. At the price paid, the town gets its money at 5.45 per cent. The bids were:

Matthews & Co.	106.18—5.45
Nesbitt, Thomson & Co.	106.11
Macneill, Graham & Co.	106.09
Gairdner, Clarke & Co.	105.876
Bain, Snowball & Co.	105.74
Wood, Gundy & Co.	105.65
C. H. Burgess & Co.	105.41
Dyment, Anderson & Co.	105.26
MacKay & MacKay	105.10
Municipal Bankers Corp.	104.83
McLeod, Young, Weir & Co.	103.75

Wood, Gundy & Co.'s tender of 102.08 for a $92,000 issue of 5½ per cent. 30-year Saskatchewan drainage district bonds was accepted. The bonds which are payable in Canada are guaranteed both as to principal and interest by the Province of Saskatchewan. Alternative bids were asked for 5 or 5½ per cent. bonds, payable in Canada or New York. Tenders included the following:

	Pay. Can. 5%	Pay. Can. 5½%	Pay. U. S. 5%	Pay. U. S. 5½%
Wood, Gundy & Co.	94.818	102.08	95.11	102.34
Gairdner, Clarke & Co.	93.83		94.27	
Macneill, Graham & Co.	93.82	101.45	94.12	101.53
A. E. Ames & Co., Nay & James	93.639	100.539	94.039	100.739
E. G. Read & Co.			93.59	100.57
A. Jarvis & Co.	93.23	100.13		
Dominion Securities Corp.			93.125	100.09
Bond & Debenture Corp., C. H. Burgess & Co.	93.09	100.33		
Edward Brown & Co., McLeod Young, Weir & Co.	93.09			
Matthews & Co.	92.54	99.66	92.79	99.91

Bonds of the city of Kingston totaling $40,000, due 1st January, 1943, and $50,000 due 1st January, 1933, bearing interest at 5½ per cent. were awarded to the Bank of Nova Scotia at 102.29. The tenders submitted were:

Bank of Nova Scotia	102.29
Wood, Gundy & Co.	102.11
R. A. Daly & Co.	102.02
Harris, Forbes & Co.	101.82
Bank of Commerce	101.64
C H Burgess & Co.	101.56
Dyment, Anderson & Co.	101.549
Matthews & Co.	101.46
A. E. Ames & Co.	101.19
Richardson & Singer	101.19
Dominion Securities Corp.	101.11
Murray & Co.	101.053
Macneill, Graham & Co.	101.03
Gairdner, Clarke & Co.	101.023
McLeod, Young, Weir & Co.	101.02
A. Jarvis & Co.	100.96
A. D. Morrow & Co.	100.789
W. C. Brent & Co.	100.71
Housser, Wood & Co.	100.39

The school district of Three Rivers, Que., sold an issue of $60,000 5 per cent. bonds due 1st May, 1953, to Victor Abraham & Co. at 96.26. Tenders were invited on 5 and 5½ per cent. bonds. The bids were:

	5%	5½%
Victor, Abraham & Co.	96.26	
Municipal Deb. Corp.	94.12	99.62
Provincial Securities Crp.	94.10	99.66
Versailles, Vidricaire & Boulais	94.02	
Matthews & Co.	93.40	100.60
Dom. Securities Corp.	92.63	99.87
Gairdner, Clarke & Co.	92.62	99.772
Geo. Beausoleil & Co.	92.276	99.277
Rene T. Leclerc	92.135	99.275
McLeod, Young, Weir & Co.	91.59	
Credit Canada Limitee	89.34	97.20

The Eastern Securities Company bought an issue of $28,000 5½ per cent. serial bonds maturing 1924 to 1933 of the city and county of St. John, N. B., at 100.54, and $2,000 twenty year, 5½ per cent. bonds at 103.47.

CITY TREASURERS SHOULD PUBLISH BOND STATEMENT

Putting Figures in Approved Form in Annual Report Will Save Effort

From the city treasurer of a British Columbia city comes a word of advice for bond dealers, investors and others interested in the financial statements of municipalities. There is more than the germ of an idea in the letter, which is addressed to THE FINANCIAL POST. The treasurer, W. A. Gordon, of Revelstoke, B. C., states that for some time back he has noticed a great deal of prominence given to the fact that many municipal treasurers do not answer bond houses by giving information on the forms sent out by the latter. In Revelstoke it is the custom to keep a list of practically all the bond houses in Canada, and a great number in the United States. In January of each year a copy of the city's financial statement is sent to each house. "Nevertheless," complains Mr. Gordon, "we receive scores of letters from bond houses which we have on our mailing list, asking for information regarding the city and which we give on the last page of our statement every year.

"To be truthful with you," the Revelstoke treasurer's letter continues, "we put them in our waste paper basket for the simple reason that if they kept files in their offices and filed the statements received they would have ours in January. I would be glad if you would ask the bond houses to save postage, writing paper and their time and file the financial statements; then ascertain if they have the information in their offices before writing out.

Everything in the Report

"We fill out none of the forms sent to us for the simple reason that we believe the information given on the last page of our statement covers everything necessary to find out our financial standing.".

There is another worthwhile suggestion in Mr. Gordon's letter, namely, that municipal treasurers on the last page of their annual financial reports should print the financial statement of their city in the form approved by the Bond Dealers' Association. When the financial statements are printed a copy might then be sent to each bond dealer who requests it giving him not only a complete financial report but the essential information he requires. The labor that would be saved the municipal treasurer by not having to fill out dozens of forms during the year would be an important consideration. Most investors in municipal bonds realize that the financial report of the average small municipality as printed for distribution to the town council and tax payers is of little value in determining the financial standing of the community.

CANADIAN NATIONAL

The gross earnings of the Canadian National Railways for the week ending May 14, 1923, were $4,812,088, being on increase of $906,176, or 23 per cent.

The gross earnings from January 1 to May 14, 1923, have been $81,727,318, being an increase of $10,333,707, as compared with the corresponding period of 1922.

NOTES RE-DISCOUNTED BY OTTAWA DECLINE

Contraction of Dominion Notes Outstanding Against Approved Securities

From Our Own Correspondent.

MONTREAL.—In effect there is in force in Canada at the present time a system of re-discount for Canadian banks that enables them to liquify their assets, especially during the crop-moving period when credits are apt to become somewhat strained. "The Finance Act, 1914, gave the Canadian banks the privilege of having Dominion government notes issued to them against deposit of approved securities," says Greenshields' Review. "This is in effect the privilege of rediscount of which much has been heard recently in connection with the hearings before the Banking and Commerce Committee of the House of Commons at Ottawa. It serves for the Canadian banking system one of the functions performed by the Federal Reserve System in the United States, by allowing Canadian banks to liquify their assets and meet the reasonable demands of business in times when money is scarce. It was a war measure, but because of obvious advantages in making credit more elastic, particularly in the crop-moving period, it has been continued, and is likely to be continued, as a regular part of our banking system." The history of the re-discounting procedure is given:

> "The privilege of rediscount was but little availed of in the early part of the war. Until the close of 1917 the greatest amount of Dominion notes outstanding against approved securities at the end of any month was less than $41,000,000. For various reasons rediscounting seems for a time to have been deliberately avoided, in part no doubt because the banks had set their face against anything tending to inflation of currency, and in part possibly because the individual bank may have feared that to rediscount could be construed as a confession of weakness.
>
> "In any event, it was not until the final months of 1917 that rediscounting attained any large proportions. In November, 1917, Dominion notes outstanding against securities crossed the $100,000,000 mark for the first time, and by a fairly steady process of expansion reached a high mark at $199,689,000 in November, 1920. In the tight money market of that year the ability to rediscount was quite evidently of real service to the banks and to business, and in decreasing degree continued of value through the adjustment years of 1921 and 1922. It was not until December, 1922, that the notes outstanding against securities again fell below $100,000,000, and at $77,888,000 in January, 1923, reached the lowest point in a period of over five years. In February there was a slight upward reaction to $84,143,000 but this was followed by a decline to $79,923,000 in March.
>
> "The contraction that has recently occurred in this direction is, of course, another indication of the passing of financial strain and the development of an easier money situation. Customers have been repaying the banks, with consequent reduction in commercial loans and discounts; and in turn the banks have been repaying the Government by surrender of Dominion notes issued under the rediscount privilege. Further, the contraction in notes outstanding against securities, in combination with the increase in the Dominion Government's holdings of gold, has had the effect of bringing the ratio of gold to total Dominion notes outstanding up from less than 30% to more than 50% and the ratio of gold to total net paper money outstanding in Canada, government and bank, from the low level of 40.4% in October, 1920, to 61.8% in January last, with only a small part of the gain lost in March."

STEWART TERMINAL BONDS

Æmilius Jarvis & Co. are offering $550,000 of a $750,000 authorized issue of Series "A" 6½% first mortgage serial gold bonds of Stewart Terminals, Ltd., at prices to yield 6.50% to 6.83%, due 1924-38. The schedule of prices and maturities calls for $30,000 to be redeemed yearly at $105. The purchase price ranges from par to 99⅛, 99¼ and 99½.

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	96½	97½
Algoma Steel 5's 1963	44	48
Amer Sales Book 6's 1927	98	..
Ash. Hardware 5 p.c. 1928	91	..
Brompton P. & P. 8% 1941	109	..
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	..
Dom. Iron Steel 5's 1930	80	81½
Dunlop Tire 6's 1927	98½	..
Dom. Sewer Pipe, 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93½	..
Gord. Iron & Fare 6's 1927	..	40
Harris Abattoir 6's 1928	99	..
H. Smith Paper 7% 1941	101	102
King Ed. Hotel 7's 1933	86	88
K. & S. Tire 7's 1935	75	80
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% notes	..	94
Mattagami Pulp 6's 1937	62	..
Mattagami Pulp 7% Deb.	35	38
Morrow Screw 6's 1931	84	..
Neilson's Wm. 6's 1933	97	..
N. S. Steel 6% Deb.	88	90
Stan Clay Pro. 6% 1942	..	90
Western Power 5's 1949	85	86
Whalen Pulp 7% Deb. 1932	63	65
Burns P. 1st Mtge. 6's 1924	104	..
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb.	88	91
Manitoba Power 7's 1941	100	101¼
Spanish River 8's 1941	106	107½

BOND MOVEMENTS OF THE WEEK

Week Ending May 21st.

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range High	1923 Low	Latest Ask	Price Bid	Week High	End Low
Canada Bread	6	1941	6.12	99	88½	100	96	99½	99	98½	—
Cedar Rapids	5	1953	5.21	97½	93	96⅞	94⅞	—	96¾	96¾	96
Canada Cement	6	1929	5.71	100½	94	102	100	—	101½	101½	—
C'n. St'mships (Debs.)	5	1943	6.75	80½	66½	80¾	80¾	80¾	—	80¾	—
Dominion Glass	6	1933	5.36	100½	99	105	—	—	99½	105	—
Lyall Cons.	**6**	**1932**	**7.01**	**85**	75	93	85	—	94	93	—
Montreal Trams.	5	1941	5.70	93½	87½	92¼	89¼	92	—	92	—
Quebec Rly	5	1939	7.10	87¼	63½	82	69	80	79	80⅝	78½
Sao Paulo	5	1929	7.11	91½	80	89½	88¾	90	89	89	—
Wayagamack	6	1951	7.15	88¾	71¾	86½	80½	—	86⅛	86	—
Winnipeg. Elec.	5	1935	5.91	92	88¾	94½	91	92	—	92	—
War Loan	5	1925	4.73	96.30	96.10	100.90	99.10	100.85	100.75	100.80	100.60
Do.	5	1931	4.78	99.60	96.25	101.80	99.80	101.60	101.50	101.56	......
Do	5	1937	4.76	101.50	99.50	103.30	102.00	102.60	102.45	102.70	102.00
Victory	5½	1923	4.68	100.70	98.75	100.95	100.25	100.60	100.40	100.75	100.40
Do.	5½	1924	5.15	100.75	98.00	101.40	100.25	100.60	100.50	100.55	100.30
Do.	5½	1927	4.77	102.70	99.75	103.50	102.35	103.40	103.20	103.40	103.00
Do.	5½	1933	4.90	104.35	101.25	106.70	104.40	105.35	105.20	105.45	105.15
Do.	5½	1934	5.17	101.45	98.80	103.90	101.30	102.95	102.80	103.10	102.85
Do.	5½	1937	4.80	106.25	103.00	108.40	106.50	107.65	107.40	107.70	107.30
Do., Renewal	5½	1927	5.00	101.10	99.40	102.80	101.00	102.40	102.00	101.80	101.75
Do., Renewal	5½	1932	5.18	101.10	99.70	103.00	101.00	102.60	102.40	102.80	102.40

WAYAGAMACK
6's
due
1951
We deal actively in these bonds and offer them at the market.
Yielding about 7.05%
Matthews & Company
Limited
Bond Dealers
Toronto General Trusts Bldg.
255 Bay St., Toronto

Victory Bonds
Bought
Sold
and
Quoted
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO.
Telephone Adel. 3870

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

Security Ratio
4 to 1
Yield 6½%
The total Assets securing the Bonds of P. Burns and Company, Limited, of Calgary, are more than $4,000 for every $1,000 of Bonds issued and outstanding.
P. Burns and Company are probably the most successful firm of Packers in the British Empire.
Consequently, their First Mortgage 20-year 6½% Bonds at 100 and interest to yield 6.50% are one of the best investments on the market.
We have Bonds for sale in $500 and $1,000 denominations.
Send us your order for one or more Bonds, delivered at your bank with draft attached, without extra charge, or inquire for full particulars.
R.A. DALY & Co.
BANK OF TORONTO BUILDING
TORONTO

FOUNDED HB 1883
Investment Advice
Forty years' experience in the field of Investment Securities qualifies us to furnish our clients with detailed particulars and sound financial advice concerning each and every market offering.
We invite your enquiries in this regard and, if desired, we will gladly offer suggestions for a profitable re-adjustment of your holdings.
You incur no obligation by writing us and our entire organization is at your service.
HANSON BROS.
Investment Securities
160 St. James St. Montreal 63 Sparks St. Ottawa

Safety
AND
8%
For Particulars, Apply
Kippen & Company
Investment Securities
11 St. Sacrament St.
Montreal Main 2744 and 5

Safe Bonds

Yielding Over 6%

FIRST Mortgage issues secured by the assets of establishing companies—with proven earning power—are safe investments. These bonds grow stronger yearly—a proportion being annually retired by the sinking fund. This not only increases the safety of the bond but it strengthens its selling price, and makes it more marketable

We now recommend

STERLING COAL COMPANY, Limited
First Mortgage 6% Bonds, Due January 1, 1940
To Yield—7.00%

Full particulars on request

F. H. Deacon & Co.
INVESTMENTS
227 Bay Street. 'Phone Main 6733
TORONTO
F. H. DEACON J. C. FRASER R. G. DINGMAN

67

The water power developed in Canada at the present time represents an investment of over $620,000,000.

We will shortly offer to the public, Bonds of a Power Company whose bonded debt per horse power is lower than that of any other important Power Company in Canada.

The National City Company
Limited
74 Notre Dame St. W. MONTREAL
10 King St. E. TORONTO
Central Chambers OTTAWA
111 Mountain Hill QUEBEC

New York Chicago San Francisco
London Paris Geneva Tokio

McDougall & Cowans

Members of the Montreal Stock Exchange

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STOCK BROKERS

HALIFAX ST. JOHN, N. B. QUEBEC
OTTAWA TORONTO WINNIPEG

MONTREAL

Direct Private Wire to all Branches and New York

ANNOUNCEMENT

Messrs. A. E. Osler & Company
Toronto, Canada
beg to announce that
Mr. John E. Regan
and
Mr. N. Burke Allen
have been admitted to partnership in the firm as of May 7th, 1923.

CIVIC AND PROVINCIAL FINANCE

EXPENDITURE OF MUNICIPALITIES GROWING RAPIDLY

Bureau of Municipal Research Issues Warning—Suggests Remedies

A bulletin issued by the Toronto Bureau of Municipal Research refers to the growth of municipal expenditure at a faster rate than the increase of population. The facts in respect of three cities, Minneapolis, Toronto and Winnipeg, are given. The per capita tax of the three increased from 15.93 per cent., 13.28 per cent. and 12.06 per cent. respectively in 1895, to 44.00 per cent., 45.37 per cent. and 44.67 per cent. respectively in 1922. During this period each experienced great increases in population. The bulletin says further:

"A similar increase in per capita expenditures is noticeable even in some cities which have not had a uniformly expanding population. In fact a scale of civic living having once been established, a decreasing population naturally tends to increase the per capita although the reverse does not seem to be true."

Commenting on the causes it states:

"Perhaps the main causes are the:

Increased cost of everything cities have to buy, corresponding to the increased cost of living.

"Increase in the number of services carried on by cities in response to popular demand.

"The failure to develop improved methods of administrative and financial control, to keep pace with the increasing complexity of civic functions and increasing size of civic budgets.

"Tendencies similar to the first two have operated in private business. But under the pressure of competition and economic necessity private business has been compelled, in order to survive, to keep pace more nearly with the demands for improved organization and more rigid control of costs."

Finally the bulletin outlines some suggestions for a possible start in overcoming the tendencies as follows:

Concentrate on efficient administration?

Devise more effective means for control of the expenditures of civic departments and outside boards?

Limit civic expenditures as far as possible to the satisfaction of proved needs?

Call a halt, at least temporarily until the country has got its feet, to the taking on of any additional functions by civic bodies?

COST OF EDUCATION LARGE IN BUDGETS

Paper Given Before Canadian Tax Conference Shows Increases in Winnipeg

In the course of an address before the first annual meeting of the Canadian Tax Conference in Toronto recently, Travers Sweatman, K. C., of Winnipeg, commented on the increasing cost of education to many municipalities. He took the experience of the city of Winnipeg, where the school tax forms a large part of the municipal taxation, as a fair example of the general tendency. With regard to it he stated that:

"The annual expenditure of the School Board of Winnipeg has grown from over one million dollars in 1913 to a little over three million in 1921, but during that time the average monthly enrolment has increased from over 20,000 pupils to over 33,000. This means that the annual expenditure per pupil has increased 93%, while the average monthly enrolment has increased 60%. The cost per pupil has increased from $46.50 in 1913 to $89.65 in 1921."

He compared then the increase in the cost of the auxiliary services, including supervising manual training, household arts, medical inspection, control, janitors' salaries and supplies, night school, and free text books, $202,911 in 1917 to $515,174 in 1921.

Speaking of other phases of the increase he said:

"If we turn to secondary education we have also an equally large increase, although there is not the same increase in enrolment. The cost per pupil has increased from $72.73 in 1917 to $142.94 in 1921, or an increase of 96%. The average monthly enrolment has increased from 2,456 pupils in 1917 to 2,691 in 1921, or an increase of 9%."

In spite of the large increases in attendance and most expenses the cost of the building programme was extremely moderate, the cost per pupil in attendance only showing an increase from 11.23 per cent. in 1917 to 12.83 per cent. in 1922. This indicates that the building policy remained fairly constant during these years.

In considering means of reducing these costs, he pointed out the difficulty of cutting down salaries without impairing the efficiency of the staff. However, he offered some suggestions to lower the cost of operation of the school plants, and of fixed charges. These consisted of plans for using rooms for two classes, one at a time, especially in junior departments.

Edmonton Finances Show Big Improvement in 1922

From Our Own Correspondent.

EDMONTON.—A substantially improved condition of this city's financial affairs is indicated by the annual report of the comptroller, covering the operations of the past year. The city reduced its net general debenture debt by $176,058, and the net funded debt now stands at $9,596,495.

Current tax collections amounted to $2,695,777, and collections on arrears added $760,432. The comptroller reports an 80 per cent. tax collection. The gross tax levy, moreover, was substantially reduced in 1922 to offset the discontinuance of the cash discount system.

The various civic utilities made a surplus on operation of $349,806.

Debenture sales by the city during the year yielded a total of $4,130,139, approximately one-half of which was for refunding purposes.

Local Improvements Not Limited by City Council

A movement to limit the amount of local improvement expenditure of Kitchener this year to $300,000, culminated in a motion in the city council, which was defeated. The argument put forth by those in opposition that the petitions of ratepayers for pavements and other improvements had to be recognized in justice to the rights of property owners. Alderman Hagedorn charged that agents of the Standard Paving Co. are passing petitions among ratepayers who have asked for tarvia payment, which are re-petitioning for asphalt pavements. The majority of the council took the view that, inasmuch as the ratepayers were at liberty to refuse to sign these petitions, there was no great wrong on the part of the representatives of the paving company in circulating the petitions.

TAX RATE FOR 1923

	Pub. Sch.	Sep. Sch. Supporters
Ottawa	28 mills	32.3 mills
Vancouver	45 mills	
Canora, Sask.	47 mills	
Calgary	49.82 mills	
New Westminster	45 mills	

Tenders and By-Laws

TENDERS WANTED

May 28, Herbertville Station, Que.—$21,600, 5½%, 10-year bonds.

May 31, Greenfield Park, Que.—$70,000, 5½%, bonds.

May 29, St. Lambert, Que.—$115,000, 5½%, 5-year debentures.

June 2, Vernon, B.C.—$30,000, 5½%, 15-year waterworks debentures. J. G. Edwards, City Clerk.

May 30, Leaside, Ont.—$93,000, 5½%, 30-inst., debentures. A. J. Lawson, Clerk-Treasurer.

SASKATCHEWAN

List of authorizations granted by the local government board from April 28, to May 14th, 1923.

Schools.—Leask, No. 3134, $13,000; Muckamore, No. 1490, $5,000; Wildwood, No. 955, $3,300; Fishing Lake, No. 3261, $1,200; Greenbush, No. 1028, $3,875; Speier, No. 726, $2,600; Jack Pine Valley No. 2603, $5,500; Blackheath, No. 1198, $3,000.

Rural Municipality.—Benson, No. 35, $2,000.

Rural Telephones.—North Kisbey, $2,375; Mountrose R. T. Co., $1,000; Wabash R. T. Co., $600.

Tow of Unity, $15,000; Town of Wolseley, $3,000.

List of debentures reported sold.

Schools.—Grace, No. 4488, $3,200, 15-years, 7½%, Waterman-Waterbury, Regina; Franklin, No. 2136, $1,000, 5-years, 7%, Regina P. S. Sinking Fund; Basin Lake, No. 2343, $1,000, 10-years, 7%, J. Tremblay, Reynaud; Obthorpe, No. 721, $2,800, 15-years, 7%, Cross & Co., Regina; La Fleche, No. 2730, $7,600, 20-years, 7%, G. Moorehouse & Co., Regina.

Town of Wadena, $1,000, 20-years, 8%, H. A. Tubby & Co., Winnipeg.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

March 21, 1923.—North Vancouver—"North Vancouver Stock purchase Debenture By-Law, 1922," By-law No. 546, $100,000, payable in fifty years with interest at 6% payable half-yearly.

April 18, 1923.—District of North Vancouver—"The School Building Loan By-Law, 1922," $5,150, payable in twenty years with interest at 6%, payable half-yearly.

April 18, 1923—Chilliwack—"The City of Chilliwack Sewer Re-construction Local Improvement Debenture By-Law 1923," By-Law No. 273, $33,000, payable in twenty years with interest at 6%, payable annually.

May 1, 1923—North Vancouver—"The North Vancouver School Debentures By-Law, 1923," By-law No. 563, $67,000 payable in twenty-five years and 3 months with interest at 6%, payable half-yearly.

May 5, 1923—Enderby—"City of Enderby Electric Light System Additional Debenture By-Law, 1923," By-law No. 15 (a), $1,000, payable in fifteen years with interest at 6%, payable half-yearly.

May 7, 1923—North Vancouver—"The North Vancouver and Burrard Inlet Tunnel and Bridge Company Debenture By-Law, 1922," No. 547, as amended by "The North Vancouver and Burrard Inlet Tunnel and Bridge Company Debenture By-law, 1922," No. 565. $120,222, payable in 50 years with interest at 6%, payable half-yearly.

ALBERTA GOVERNMENT REDUCING EXPENSES

Office Staffs Cut Down—Fewer School Inspectors—Seed Grain Advances Stopped

From Our Own Correspondent.

EDMONTON.—The process of cutting down the province's running costs has been commenced by the Alberta government in accordance with the economy policy decided on a short time ago. Practically every department of administration is reducing its capital expenditures, and the inside clerical work is also being cut to correspond.

There will be a substantially reduced programme of public works, expenditures on highways being confined mostly to maintenance, and two new courthouses representing the only large buildings planned this year.

In the Department of Agriculture the elimination of seed grain relief will make a large saving, and only two of the six goverment schools of agriculture will be kept open. The county fairs' grants have been reduced, and all travelling exhibits and demonstration trains will be cut out.

About $100,000 will be saved in connection with the educational work by reducing the staff of school inspectors from forty to twenty-five and by closing one of the three normal schools.

The Treasury Department is overhauling the bookkeeping system in the government offices and expects to effect considerable economy by introducing simpler methods of keeping records.

In all branches of the service further savings are being made by reductions in the office staffs, a number of dismissals having already taken effect.

Some new revenue is also being secured or planned from the new taxing schemes passed by the recent legislature. The mineral taxation, for instance, which is expected to yield the province $300,000 a year, is taking shape, the Department of Municipal Affairs having it already in hand. Information as to the mineral areas in the province is now being called for, and assessment rolls will be made up accordingly. The tax becomes effective and payable from August 1st.

Alleged Shortage at Sydney, N.S., Discovered

An alleged shortage of $5,393.18 in the funds of Sydney, N. S., resulted in an investigation by local bank officials recently. The latter found the missing money was due to incorrect entries in the cash book, rather than an actual shortage. An amount of $2,925.90 was included in the receipts of Dec. 31, 1921, but it was not deposited in the bank until Jan. 3, 1922, and consequently was not on hand to start the books in 1922.

Another entry of $3,190.45 for the provincial government grant to the city hospital was made on Dec. 31, 1921, but not deposited until Jan. 14, 1922. Inasmuch as this amount was shown as a receipt for the year 1921 and the actual cash (or cheque) was not held at the time of closing the books, the cash on hand December 31st, 1921, was short to that extent.

A receipt was issued on December 31st, 1921, for $620.90, covering taxes paid by a local company, but the cheque was not deposited in the bank until January 4th, 1922, and although this cheque was apparently held at the city hall on the last day of the year it was not included in the cash on hand at that date.

These adjustments have cleared up a situation which might otherwise have given cause for some worry to local officials.

Barton Township Loses as Result of Bad System

Following the disclosure of a shortage in the accounts of Barton Township, a report was brought in by Deputy-Reeve Le Brocq providing for the installation of a new bookkeeping system. The statement criticizing the condition of affairs contained some serious charges, but throughout it was made clear that it was the system that was at fault and not a single cent of township money had been misappropriated. Mr. LeBrocq commented upon the honesty of the treasurer and stated that had not such a trustworthy individual served all these years that Barton township might be minus thousands of dollars.

The new plan to amalgamate the offices of treasurer and clerk was met with some objections. The former treasurer, Cameron Gage, resigned and A. G. E. Bryant, clerk, stated that he would not seek the dual office.

The report submitted brings out the fact that the total of $37,801.79 of uncollected taxes shown in the collector's statement does not tally with the roll of the collector, it was further reported. A statement of assets and liabilities showed a deficit of $4,764.94, while a deficit of $30,057.66 really exists, it is claimed. As for debenture debt, there was criticism of the system, and no provision is made for $10,000 due the provincial government.

At a subsequent meeting of the council the decision recorded above was reversed and the proposed changes in administration will be postponed until another audit of the books is made. The treasurer, Cameron Gage, was reinstated and the clerk requested to secure estimates of the cost of such an audit from the provincial municipal auditor and firms of chartered accountants. It was maintained that the action of the council created a wrong opinion with the public as to the causes.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
May 18	Niagara Falls	A. E. Ames & Co., Toronto	5 & 5½%	10, 20, 30 ins	$541,756	97.89	5.49
May 21	Galt, Ont.	Gairdner, Clarke & Co., Toronto	5½ & 6%	15 & 20 ins.	244,550	104.072	5.39
May 15	Campbellton, N.B.	Royal Securities Corp., Montreal, and R. A. Daly & Co., Toronto	5½%	25 yr.	115,000	102.179	5.35
May 21	Saskatchewan	Wood, Gundy & Co., Toronto	5½%	30 yr.	92,000	102.08	....
May 14	Saskatchewan Schools, etc.	Various			16,600		
May 21	Kingston, Ont.	Bank of Nova Scotia, Toronto	5½%	10-20 yr.	90,000	102.29	5.26
May 21	Three Rivers, Que.	Victor Abraham & Co., Montreal	5 %	30 yr.	60,000	96.26	....
		CORPORATION					
May 21	J. A. Baillargeon Express Co.	Versailles, Vidricaire & Boulais, Mont'l.	6 %	12 yr.	500,000		
May 21	Campbellford, Ont.	R. C. Matthews & Co., Toronto	6 %	30-yr.	68,000	106.18	5.49
May 15	City & County of St. John, N.B.	Eastern Securities Co., St. John	5½%	Serials	28,000	100.54	....
May 15	City & County of St. John, N.B.	Eastern Securities Co., St. John	5½%	20-yr.	2,000	103.47	....

Montreal Catholic School Commission

5% Bonds
Maturing March 1st, 1943
Price: 99.50 and interest to yield about 5.04%

5½% Bonds
Maturing February 1st, 1943
Price: 103.70 and interest to yield 5.20%

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)

61

We offer
DOMINION STORES, LIMITED
8% Cumulative Class "A" Preferred Shares
Price: 100.00, Carrying a 25% Bonus of Common Stock.
This Company is the largest retail distributor of groceries in Canada, operating 190 stores. Plans call for over 50 new stores in 1923.
Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.
A special circular we have prepared will be mailed upon request.

HOUSSER WOOD & CO.
INVESTMENT BANKERS
10-12 KING ST. E. TORONTO

WE ARE BUYERS
Alberta Pacific Grain Preferred
BALFOUR, WHITE & CO.
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STOCK & BOND BROKERS.
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Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 8293 - TORONTO

STOCKS BONDS
S. H. POWELL
LIMITED
4 Hospital St.
Main 1341, MONTREAL

The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

WHAT DOES THE WORD "MUTUAL" REALLY MEAN?

As applied to a Life Insurance Company, it means that the entire assets and revenues of the Company are vested in the Policyholders.

The word "Mutual" means that the Directorate is responsible to the Policyholders only, which condition necessarily results in exceptionally careful administration.

It means that the burden of household protection is lessened to the Policyholder by just the amount which would otherwise have gone to Remunerate Shareholders for the investment of their funds.

Without lessening in any way the security of the Company (whose reserves greatly exceed those required by the Government). **The Mutual Feature Guarantees the Largest Amount of Absolutely Sound Protection for the Least Possible Outlay.**

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, - ONTARIO
Assets $53,605,630 December 31, 1922 Assurances $246,486,654

SQUARE DEAL

Our "Square Deal" Contract will appeal to you with compelling force—**one contract only—no middlemen**—new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

The NORTHERN LIFE ASSURANCE CO.
Home Office - London, Canada

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78.000.000.00
Policies Issued from $500 to $5,000

G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

THE MACCABEES

Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis.
Over $140,000,000.00 Paid to Members and Beneficiaries.

Issued Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance Values.

Liberal contract for good organizer for City of Toronto.
JAS. S. GREEN, 249-250 Confederation Life Bldg.
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MERCHANTS CASUALTY CO

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We issue the most up-to-date policies, and give every policyholder a highly considerate service.
Test the truth of this with your next policy.

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(DOMINION LICENSED)
WINNIPEG : TORONTO : MONTREAL

IMPROVEMENTS NOTED IN INSURANCE FIELD

Ontario Agency Has Fewer Lapses—Collections Better in West

Reports of the life insurance companies indicate an improving ability to purchase life insurance in most parts of the country. The manager of one of the largest agencies in Ontario, with offices in Toronto states that his salesmen are securing more business than they did a year ago. He commented on the fact that larger applications are becoming more numerous. On one day cited, his company secured one application for each of $25,000, $50,000, $40,000 and $10,000, and a number for $5,000 each. He stated further, that lapses have showed a material decline, revivals of policies are more frequent and a disposition to pay premiums promptly, is clearly in evidence.

The Great West Life Assurance Company, with head offices at Winnipeg, gives the information that applications for insurance received so far this year exceed that for the same period of 1922 by about $1,000,000. It also points out that the business received in 1922 was about $2,000,000 in excess of that for 1921. The conclusion is that a definite improvement has taken place.

A number of other companies report increased business from the Western provinces. Some agents in the prairie provinces state that they have been confining their energies to securing business which they feel reasonably sure will be paid for and renewed.

Companies with heavy investments in the West report collections at least as good as in 1922, improvements in most cases being in evidence. One company, with large holdings of school and telephone bonds, reports less difficulty in collecting payments due on these than was expected. In a statement issued recently the Great West Life shows interest payments considerably larger than in corresponding months of 1922, those for April, 1923, being nearly double the total for April, 1922.

GREAT WEST LIFE EXTENDS

It is announced that an important extension of the territory covered by the Great West Life Insurance Company was made when an office was opened in Chicago to cover the state of Illinois. As a result several changes have been made in the agency force. T. M. Taylor, of Detroit, who has been in charge in Michigan, is transferred to Chicago in charge of the business in Illinois. T. S. Coleman, inspector at Ottawa, is transferred to Detroit; and W. T. Lamb, a veteran agent of the company in Ottawa, is made inspector at Ottawa.

MERCHANTS CASUALTY DIRECTORS

Following the recent announcement from Winnipeg on May 11 that a group of Waterloo insurance men headed by E. F. Seagram and S. C. Tweed, had purchased the controlling stock of the Merchants Casualty Company, an announcement has been made that the new Board of Directors will consist of the following Waterloo men: E. F. Seagram S. C. Tweed, F. S. Kumpf, James Valentine, J. C. Haigt, K. C., A. Bauer, J. A. Martin, W. G. Weichel, Thomas Seagram and W. Henderson.

These men are all officers or directors of life insurance companies already established in Waterloo. The company's head office will be situated there and operation will be directed by L. M. Fingard.

REVOLUTIONIZE METHODS FOR MAKING PHONOGRAPH RECORDS

A non-shellac phonograph record has been developed by European chemists. Leather blotting paper, cardboard, or other papers, linen or cotton cloth may be used as a base and instead of requiring moulding the discs can be printed and turned out on a rotary press at 50,000 a day.

The new method of manufacture, its originators say, has the additional advantage of making the record flexible, unbreakable and non-chippable.

Quebec and New Brunswick Forestry departments are co-operating to fight forest fires. Rangers of both provinces will work in either province against fires at border points.

INSURANCE FOR BUYER AND SELLER

INSURANCE HEALTH SERVICE GAINING FAVOR IN CANADA

Companies Encourage Periodical Examination of Their Policyholders

An extension of the wide services of life insurance companies is being accomplished through the work of the Life Extension Institute of New York. For many years the American companies have been guarding the health of their policyholders by various health services, some even maintaining sanitaria for diseased policyholders. Many of the companies have made arrangements for a medical examination of those insured by them, at stated periods and this plan has been followed in Canada by the Equitable Life of New York, and the Metropolitan Life for some time. After the withdrawal of the former from Canada, a new company, the Ontario Equitable, was formed, and this company made an arrangement in 1922 with the Life Extension Institute for a periodical examination of its policyholders. It is now announced that the Mutual Life of Canada has made a similar arrangement.

The Institute has made arrangements with local doctors in many districts to make the examinations as required and it contracts with the insurance company to have its doctors do the examining. The basis on which these examinations are allowed to policyholders varies with the company concerned. The plan followed by one of the companies is to allow such an examination every fifth year to those with policies from $500 to $1,000; every fourth year to those whose policies are from $1,000 to $2,000; every third year to those with policies from $2,000 to $3,000; every second year to $3,000 policyholders; and every year to those having policies for an amount exceeding $3,000.

The plan followed by another company is simply to allow the examination every third year to holders of policies for $5,000 or over, and to allow a chemic or microscopic urinalysis tri-annually to those with policies under $5,000.

It is customary for the insurance company to notify the insured in each case when he becomes eligible for examination, enclosing a form for completion. This is returned to the insurance company and forwarded to the institute. The latter notifies the insured which doctor will make the examination, and on receipt of the medical report, forwards to the insured its suggestions to correct any apparent disabilities and prevent the development of any dangers of which symptons are found. The insurance company does not receive the medical report, nor do its officers have access to the findings as a result of it, the matter being regarded as confidential between the insured and the institute.

The purpose of the insurance companies in spending their funds in establishing the service lies in the belief that many physical impairments will be discovered and corrected before they reach the stage where they may prove fatal. The ultimate result will be an extension of the duration of life and a reduction of death claims.

A new organization called the Canadian Health Service Institute, is operating privately in Toronto and, it is understood, will seek to enter this field by making similar arrangements with life insurance companies.

Danger in Insuring Cars With Small Payment Made

A danger in automobile insurance, encountered in some places, is that of cars being insured, which are being paid for on the installment plan, with a small initial payment. The tendency is more noticeable in the United States where sane companies fear a moral hazard will arise when later payments become due.

In Canada the danger is not so imminent but nevertheless, a high percentage of the motor cars are sold on a deferred payment basis. Automobile underwriters point out that there are two conditions which may obtain. The purchaser may have sufficient money to pay cash but prefer to tie himself to saving the amount of the installments rather than disturb his accumulations. On the other hand, many have not the money necessary to pay cash and mortgage their future savings to obtain a car.

An officer of one company states that his office has applications for insurance on cars where only a very small payment has been made. They have adopted a policy in such cases of making a thorough investigation before accepting the insurance to determine whether the purchaser will be able to complete the payments. In this way it is hoped to avoid any additional moral hazard from this source.

BRITISH AGENTS ORGANIZE

A Toronto branch of the British Agents' Association has just been established with a membership of 25. The Montreal branch of the association has been in existence for about fifteen years. Almost all the members of the two branches are the Canadian agents or branch managers of United Kingdom textile manufacturers. The chairman of the Toronto Association is R. W. Paton and the secretary is Arthur S. King.

Life Agency Officers Elect 1923 Committee

The fourth annual meeting of the Canadian Association of Life Agency Officers was held in the board room of the Canada Life Assurance Company on Wednesday and Thursday. Alexander Mackenzie, manager of agencies of the Manufacturers' Life Insurance Company, presided as chairman. During the convention special attention was given to the conservation of business and the selection and training of men for life insurance work.

A number of papers on the methods used by companies to cut down their lapses were read, among them one by R. Mackenzie, of the Manufacturers' Life Insurance Company, describing the methods employed by his company.

The executive committee for 1923-24 is comprised of the following: Chairman, G. J. A. Reaney, superintendent of agencies, Mutual Life Assurance Co., Waterloo; George H. Hunt, superintendent of agencies, Imperial Life Assurance Co., Toronto; E. J. MacIver, assistant secretary, Prudential Insurance Co. of America, Newark, N. J.; A. N. Mitchell, assistant general superintendent, the Canada Life Assurance Co., Toronto; J. G. Stephenson, superintendent "ordinary" agencies, London Life Assurance Co., London; C. D. Devlin, assistant superintendent, Confederation Life Assurance Co., Toronto; Hon. secretary-treasurer, C. E. Robertson, superintendent of agencies, Dominion Life Assurance Co., Waterloo.

CAR OWNER SHOULD READ HIS POLICY

Important That He and Agent Should Come to a Mutual Understanding

Cases have recently come to light where automobile owners have cancelled insurance due to disagreements as to the extent of risks covered by the policy. Insurers should read their policies carefully before accepting them, as the conditions placed in policies vary with the companies, especially in connection with the public liability clause.

Some companies writing automobile insurance are reluctant to cover the family of the owner of the insured car by the public liability clause. A case of wide interest occurred in Montreal when a man in backing out of a garage, struck and seriously injured his son. The boy's uncle, on his behalf, sued the father and recovered $7,500 damages. The car was insured for public liability and the insurance company was forced to pay the claim.

Some companies continue to cover, under this clause, injuries to the owner's family or guests while they are passengers in a car, while others refuse this. It should be pointed out that the cover does not extend to those paying for transportation in the car. In such a case the automobile comes into the taxi class where a higher premium must be paid to obtain such protection.

Why a Toronto Business Man Has a Quarter Million Life Insurance

Business men on this continent have for so many years been unable to sleep at nights unless their buildings were insured against fire, and their motor cars were insured against fire and accident, while ignoring for the most part the necessity—insurance of their own lives—that it is refreshing to most of them to learn of a prominent, popular and successful business man in Toronto—a leader in his line—who says, "in his case the general rule is reversed." He states: "I carry $150,000 life insurance for the protection of my family, and my company carry $100,000 on my life to protect themselves."

This case affords another proof that life insurance is rapidly coming to the front, not only as the greatest conserver of family and home life, for the upbuilding of better citizenship and national welfare, but as a recognized economic factor in modern business conservation. Our well-known citizen, who is inclined to brevity, said: "I consider life insurance is a wonderful protection, both to married men with families, and to all kinds of business men, especially for young persons wishing to save money and build up capital and credit that frequently provide the means for their getting into business. Life insurance is the best form of thrift extant. I learned this early, and began taking insurance when only 17 years old; my first Endowment Policy, one of the first issued by the Imperial Life, matured when I was 37 years of age, and the proceeds were paid to me on my wedding anniversary. I remember how pleased I was to receive the money. Since then my policies have been of great assistance to me in business, affording me not only a ready and private means of securing a loan when I needed it, but the insurance also helped me to get started in my business, which has since developed to large proportions. Yes, it helps one's credit as nothing else I know of will do; it also frees the family man from worry and anxiety, and helps him to enjoy his life, because it enables him to practically live up to his income, if deemed necessary.

"I have five children, all of whom I insured at age 2, and when they become 12 or 14 I take out endowment policies on their lives, and maintain them until they are able to carry them alone. There is only one who has not yet reached the first insurable age. I do this, first, because it is the best way to establish the habit of saving. The premiums, especially on endowment policies, are in fact **enforced savings**, involving little sacrifices from time to time. And when at maturity the policy is cashed, with the profits earned, the holder realizes how much his or her small savings from year to year have amounted to; he also recognizes that but for the life insurance policy all this money would likely have been spent, with nothing tangible to show for it now."

It will be seen from the above that this husband and father has the right conception of the inestimable benefits of life insurance; he points the way to others, and teaches a most valuable lesson to parents upon training children. While it is particularly true of young men, it pays anyone who can get it to take out an endowment policy, if for no other reason than that of economy. The holder always knows in advance the premium-due dates, and need only save a few dollars a month to meet them, and provide a needed fund for his future years. "A dollar saved is a dollar earned." These premiums are paid promptly because if not so paid the policy would lapse; after say, two yearly premiums have been paid the holder does not like to let his policy lapse, so the paying becomes a regular habit. There is nothing depending on the regularity of savings bank deposits; and owing to the fatal facility with which savings can be withdrawn, the money put in to-day is frequently taken out to-morrow. Was the man ever known who would keep up, year in and year out, for 15, 20, or 25 years, the habit of regularly placing a fixed sum in a savings bank?

There is many a slip betwixt our fingers and the bank, and even at the close of a long, busy career, a man often lacks sufficient funds to provide competence for his old age.

In Canada and most of the United States, the laws provide that the wife, children and mother of the assured (and in cases other near relatives) shall be regarded as "preferred" beneficiaries—hence when the policy is made payable to one of these a trust is created in the beneficiary's favor, and the policy is in no ways subject to the control of the creditors of the assured. Or if, after the assured's death, his assets were found insufficient to discharge the claims of creditors, the insurance moneys would be beyond their control, and payable direct to the beneficiary entitled. This is a most valuable provision for protecting business men's families from the vicissitudes and risks of the most carefully planned financial ventures.

In these days, however, of rapidly-growing demand from business men for business insurance to protect them against the loss of human factors in their enterprises, new problems involving legal questions and possible legislation, confront the companies and life agents. Not the least of these is the difficulty at times of interpreting the "partnership policy" forms, and the provision for payment of the proceeds, so as to carry out the purpose intended by all parties to the contract. The purpose of partnership insurance is usually to provide ready funds upon the death of any partner, to enable the survivors to take over the deceased's holdings and control the business without interference from the deceased's family or estate. But, owing to some salesmen not properly designating the beneficiary in the application or seeing that proper agreements between the partners were drawn, there has been disappointment in some cases. In partnership and close corporation insurance the conditions in no two cases are alike, and joint partnership policies especially have disadvantages, hence there is a pressing need for some revision of these forms, to avoid legal entanglements and defeat of the objects of the insurance. Since business insurance means credit and cash when both are most needed, there is no doubt of an immediate correction and counteracting of all loss by affording the means of discharging the liabilities without impairment of the working capital.

Business insurance is admittedly a saving, not an expense; if the need of it had not been adequately met, modern business would not be spending increasingly large sums of money on it every year. Another special need which this class of insurance can satisfy is the creation of funds for training younger men in the employ of corporations and companies to take the places of valuable men of responsibility before their retirement.

The best proof that life insurance is one of the safest investments is the noteworthy fact that the most prominent, successful leaders in modern business life—the millionaires—carry the largest policies. It would be impossible to point out a recognized prominent leader in any sphere who does not believe strongly in life insurance. It is not surprising, therefore, that the stockholders of this great company, engaged in a public service, yielding liberal dividends, should have protected their interests here by placing a coverage of $100,000, divided among American and Canadian companies, on the valuable life of their general manager for Canada.

There are now over 400 beekeepers holding shares in the "Ontario Honey Producers' Co-operative, Limited," and it is computed that the company now control an output of between three and four million pounds of honey which amounts to nearly half of the honey crop of the province.

Butler-MacCulloch
Limited
Insurance General Agents, Fire, Hall, Automobile, Miscellaneous.
409 Hammond Bldg.,
MOOSEJAW. SASK.

THE
WESTERN EMPIRE
Life Assurance Company

HEAD OFFICE
701 Somerset Building
Winnipeg, Man.

Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

FIRE AUTOMOBILE MARINE

British America Assurance Co.
(Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company
(Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto

INLAND TRANSPORTATION
RIOTS and STRIKES EXPLOSION

Assessment System
THE CANADIAN ORDER *of* CHOSEN FRIENDS
Good Features

A Government endorsed twenty-year paid-up plan.
Whole family life insurance, at Government standard rates.
The best sick and funeral benefits. Double sick benefits, by paying double rates.
An up-to-date child insurance department.
Further particulars gladly furnished by corresponding with

John L. Davidson,
Grand Councillor,
540 Euclid Ave., Toronto, Ont.

W. F. Campbell,
Grand Organizer,
Hamilton, Ont.

Wm. F. Montague,
Grand Recorder-Treasurer,
P.O. Drawer No. 349,
Hamilton, Ont.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62

TORONTO, 24 Adelaide St. W.

W. H. George, Superintendent of Agencies

Paid Up Capital $2,500,000
Canadian Bank Note Company, Limited
Successor to
American Bank Note Co. of Canada
Engravers and Printers
Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents
Head Office and Works: OTTAWA
BRANCHES:
Montreal Toronto

8% Cumulative Redeemable Preferred Shares
Dominion Combing Mills
LIMITED
Write for particulars
Dominion Development Corporation Limited
805-813 C.P.R. Building
TORONTO
134 Jackson Bldg., Ottawa, Ont.
1004 Transportation Bldg., Montreal, Que.

Building Sites

On and near Yonge St., with large trees and fine views, one minute's walk from the City Car Line. Restricted. $30 per foot up.

H. R. DOUGLAS
Adel. 5070 and Bell. 69M.
Mail Building.

Migration of negroes north and west is disturbing southern farmers and lumbermen, who are offering them from $4 to $10 a day. Louisiana sugar producers drawing on Porto Rico for field hands.

CHANCES OF RICH GOLD PLACERS IN LABRADOR REMOTE

Geological Reports Show Conditions Are Not at All Favorable

TOO MUCH GLACIATION

Similar Formation to Northern Ontario and Slow Moving Ice Left Little of Value

There is little chance of placer gold mines being found along the Labrador coast, according to data compiled by Ottawa from conclusions of various geologists who have gone over the area. Would-be speculators in the alleged placer fields would do well to study these reports before going into the ventures. Four geologists, Packard, Daly, Coleman and Kindle, agree that the Labrador coast has been the scene of intense glaciation. The geologists call attention to the paucity of glacial deposits, other than boulders, the area was evidently as Coleman states, one of erosion rather than deposition, and the great bulk of the loose material resulting from pre-glacial weathering, may have been swept, as suggested, to the sea and deposited on the submerged continental shelf.

The report says that the conditions from the south end of Labrador to farther north than Stag Bay are similar to those existing in Northern Ontario. Both are underlain by pre-Cambrian rocks and both have been subjected to intense glaciation. Geologists and prospectors have learned to look upon Northern Ontario as unfavorable ground for prospecting for placers. Placers that may have existed before the ice age are believed to have been destroyed and scattered by the eroding action of the great mass of moving ice.

Placers Unlikely

A few placers have been formed since the ice age but they have never paid to work because the gold is scattered through the glacial drift and has been only slightly concentrated in the recent gravels. It is very unlikely that placers have been formed in Labrador since the ice age. As has been pointed out, the coast of Labrador, except the very northern part, has been swept clean of nearly all unconsolidated material, preglacial and glacial, except the boulders; there is little likelihood, therefore, of placers having been formed by a resorting of glacial debris, and sufficient time has not elapsed since glaciation for the breaking down of great thicknesses of rock necessary for the formation of new placers.

Rich placers do occur in some glaciated regions, for example in the Cariboo district of British Columbia, but the Labrador region was more intensely glaciated than the Cariboo. Cariboo is a mountainous region with deep and narrow valleys and the ice-sheet could not move freely because of these deep valleys and because it was hemmed in by mountains. In Labrador the ice could more freely and its scouring action was pronounced. Although it cannot be said that placers will not be found in Labrador, the chances for the occurrence of rich ones seem very remote.

Not Satisfactory

In view of the above some of the statements that have appeared in advertisements of the reported Labrador placers seem improbable. It has been implied, for example, that there may be considerable areas of gravel, 21 feet thick, carrying $100 in gold per cubic yard. Neither does the evidence of the actual discovery of placer gold, as given in advertisements by promoting companies, appear satisfactory. It is apparently based mainly on a statement claimed, in advertisements, to have been made by Ledoux and Company, New York, concerning an assay of a sample of gold-bearing gravel from Labrador. Correspondence, however, with Ledoux and Company has elicited the information that they had been unable to find any record of such a sample having been submitted to them and that no such sample had been submitted to them either by H. C. Bellew or Richard W. Edwards.

The Case for Western Canada

(Continued from Page 1)

production has increased so rapidly that the farmers of Western Canada to-day hold the world record for production per capita. They have proved a thousand times that the Western prairie can produce anything and everything that can be produced in almost any part of the temperate zone, from wheat to watermelons, and produce it of the highest quality. They have shown that in livestock production they can go into a world competition and pull off honors like chestnuts. In all their efforts at production they have been hampered by their great distances from their ultimate markets, and the very high cost of all the things they have had to buy for their farms; coupled with this the majority have attempted to cultivate too much land with too little equipment, moreover because the Federal government of Canada had not the wisdom in the early days of opening the West to profit by the mistakes in the Western States, where soil and climatic conditions were similar, and make soil and agricultural surveys of the prairie and have on hand for incoming immigrants knowledge of where to settle and what to grow, much time and money has been spent by the individual farmer in finding out these things for himself, thereby increasing his overhead out of all proportion to the possible returns from the land when long freight hauls and tariffs were allowed for.

Rewards for Labor

In a nutshell, having no official guide for his operations, many a farmer has been trying to make the climate and soil fit his methods of agriculture instead of making his agriculture fit soil and climate. The days of these mistakes are passed or passing but the cost thereof remains to be liquidated not only by the individual farmer but by the country at large. Then again the man who farmed and who had no previous experience in this or other countries knew nothing of the value of self-sustaining farms, and cattle, horse, sheep and hog raising, with the need of winter feeding, looked much less desirable than a crop of wheat marketed in the fall and nothing more to do until the following spring.

Just when the minds of Western farmers were turned toward stock and rotation of crops, came the war with its demand for wheat and more and more wheat, and wheat was raised, but while the government curbed the price of wheat it never curbed the soaring price of labor or agricultural implements, so that $2.00 wheat yielded less profit than 80c wheat had yielded in the old days. Towards the third year of the war came the insistent demand for bacon, and by the time a half million of pigs were ready came the Armistice, a glutted British market and no possible sales for bacon produced at the very maximum of cost for foundation stock, food and labor.

These troubles were regarded largely as the fortunes of war and the farmers did little kicking until the big slump in wheat prices came.

Robbed by the Combine

Then the farmers began to take stock in earnest and made a gallant fight to get freights on grain back to pre-war levels. This was conceded and farmers were jubilant, only to find last fall that all they had gained in rail freight was lost in the excessive lake freights made possible by the combine, the undoubted existence of which has been so amply proved by the sworn testimony before the Royal Commission.

With the drop in the price of coarse grains farmers had increased their holdings of stock, only to have the American market closed against them by a prohibitive tariff.

Efforts by Canada and those interested finally won the lifting of the embargo on Canadian cattle into Britain and once more the farmer heaved a sigh of relief, only to find later that the North Atlantic Combine had put the rates to a practically prohibitive figure.

Reduced to a few sentences, the facts are these: An established farmer with no great amount of equipment to buy, but with the ordinary running expenses of a farm to meet finds that the dollar received for his produce has a pre-war purchasing power of possibly 60c, while a man starting in to farm with all his equipment to buy would find a dollar would not go as far as 50c in pre-war days.

It is not much wonder that practically every farmer met these days endorses the sentiment of the gentleman who said, "Life is one d—— after another."

Must Make Farming Pay

Inasmuch as farming is the main industry of Canada, it would seem a simple thing for business men in every other line to realize that if the farmer does not prosper neither can they, but apparently up to date there has been a failure to realize this and it is with a view of trying to arouse public sentiment to the need of seeing that combines in freights and needlessly oppressive tariffs are abolished and that banking and loan systems are adjusted to meet the requirements of a healthy and progressive agriculture that the Manitoba Free Press has been carrying on its campaign. That some corporations are aroused to the needs of the case is shown by the recent announcement of the Canadian Pacific Railway as to the consolidation of contract payment for their land; that bankers have not sensed the situation is evident from their blind determination to believe or pretend to believe that our present banking system meets agricultural needs; while so far as ocean and lake freights are concerned there is no indication of a change of policy on the part of the shipping companies, rates on the lakes for spring movement are almost if not quite as exorbitant as they were last fall. Apparently nothing but the vigorous application of the big stick will bring these gentlemen to time. Whether the present Federal government will apply it is still in grave doubt.

Canada is potentially the richest agricultural country in the world, and if she fails it will be because the public at large refused to see the danger and their duty and allowed her to be robbed and spoiled for the benefit of the few instead of seeing to it that she fulfilled her manifest destiny of becoming the home of a great nation of prosperous, enlightened and law-abiding people.

It is high time to stop deluding ourselves with the idea that a couple of good crops will put everything right. Western Canada last year produced a magnificent crop and her farmers are to-day harder up for ready money than they have ever been before in the history of the West.

INDUSTRIAL RESEARCH IN CANADA

What Canada has accomplished in the way of scientific and industrial research is thoroughly covered in a 168-page book, just issued by the Canadian Manufacturers' Association. The book contains the addresses delivered at the National Research Conference held under the auspices of the Association at Ottawa on February 20-22 and includes statements by the representatives of government departments, universities, colleges, industries and others engaged in research work. As a record and summary of the progress of scientific and industrial research in Canada, the publication will be found of considerable value.

BANK OF MONTREAL

Statement of the Result of the Business of the Bank for the Half-Year Ended 30th April, 1923.

Balance of Profit and Loss Account, 31st October, 1922		$ 558,815.25
Profits for the half year ended 30th April, 1923, after deducting charges of management, and making full provision for all bad and doubtful debts		2,209,125.77
		$2,767,941.02
Quarterly Dividend 3 per cent. paid 1st March, 1923	$ 817,500.00	
Quarterly Dividend 3 per cent. payable 1st June, 1923	817,500.00	
	$1,635,000.00	
Provision for Taxes Dominion Government	250,000.00	
		1,885,000.00
Balance of Profit and Loss carried forward		$ 882,941.02

GENERAL STATEMENT, 30th APRIL, 1923

LIABILITIES

Capital Stock		$27,250,000.00
Rest	$27,250,000.00	
Balance of Profits carried forward	882,941.02	
	$28,132,941.02	
Unclaimed Dividends	12,733.05	
Quarterly Dividend, payable 1st June, 1923	817,500.00	
		28,963,174.07
		$56,213,174.07
Notes of the Bank in circulation	$39,236,021.00	
Deposits not bearing interest	135,209,015.91	
Deposits bearing interest, including interest accrued to date of statement	413,363,158.18	
Deposits made by and Balances due to other Banks in Canada	4,744,753.35	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	465,106.97	
Bills Payable	1,466,015.97	
		594,484,071.38
Acceptances under Letters of Credit		3,711,954.74
Liabilities not included in the foregoing		1,199,049.51
		$655,608,249.70

ASSETS

Gold and Silver coin current		$29,890,174.21	
Dominion notes		64,889,838.25	
Deposit in the Central Gold Reserves		16,000,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	$13,404,269.92		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks	7,012,985.41		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States	122,230,832.08		
		142,648,087.41	
Dominion and Provincial Government Securities not exceeding market value		44,479,182.40	
Railway and other Bonds, Debentures and Stocks not exceeding market value		3,006,517.84	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		35,192,972.82	
Notes of other Banks		4,039,431.00	
Cheques on other Banks		21,656,980.52	
			$361,803,184.45
Current Loans and Discounts in Canada (less rebate of interest)		230,135,636.61	
Loans to Cities, Towns, Municipalities and School Districts		27,273,425.58	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		17,343,958.42	
Overdue debts, estimated loss provided for		1,095,065.04	
			275,848,085.65
Bank Premises at not more than cost (less amounts written off)			10,000,000.00
Real Estate other than Bank Premises			461,957.19
Mortgages on Real Estate sold by the Bank			767,599.93
Liabilities of Customers under Letters of Credit (as per Contra)			3,711,954.74
Deposit with the Minister for the purposes of the Circulation Fund			1,620,000.00
Other Assets not included in the foregoing			*1,395,467.74
			$655,608,249.70

VINCENT MEREDITH,
President.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

*This amount includes $885,000.00 Bonds of the Merchants Realty Corporation held by the Bank that were not issued to the public.

Note.—Bonds of the Merchants Realty Corporation to the extent of $2,835,000.00 secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor

THE PRUDENTIAL IN 1922

The Company is owned by the Policyholders, to whom this report is made.

STABILITY — SERVICE — PROGRESS

**The Company's 1922 expense rate was the lowest in its history.
The Policyholders' 1923 dividends are the largest yet declared.**

Assets	**$906,397,224**
Behind your policy, whether it be for $100 or $100,000, stands this tremendous sum of never-idle millions—a guaranty as safe as the government itself.	
Real Estate Mortgages—Over 49,000, amounting to	**$325,000,000**
(Average per loan about $6,500.)	

During 1922 the following Loans were made:

On farms	**$33,100,000**
Crops were planted, farms bought or improved and thousands of homes made happier because of these loans.	
On dwellings and apartments	**48,700,000**
These loans aided in relieving the housing shortage by providing homes for 16,671 families.	
On other city properties	**17,800,000**
Total	**$99,600,000**

U.S. Government Bonds	**$104,000,000**
The Company also owns $15,000,000 in Canadian government bonds.	
Railroad, Public Utility and other Securities	**$340,000,000**
An investment in transportation development and in community service—such as telephones, telegraphs, electric light and power systems, schools, parks, good roads, etc.	
Liabilities	**$870,596,351**
These consist chiefly in reserves and other obligations to policyholders.	
Surplus—For the further protection of policyholders	**$35,800,873**
Paid Policyholders in 1922	**$ 87,000,000**
Paid-for Business in 1922	**$1,311,000,000**
The largest in the history of the Company.	
Total Insurance in Force	**$6,314,000,000**
Increase over 1921	**$ 646,000,000**
Taxes—Prudential Policyholders have paid from their premiums during 1922 federal, state and municipal taxes and fees amounting to	**$5,220,000**

Founded by JOHN F. DRYDEN
THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR
Pioneer of Industrial Insurance in America

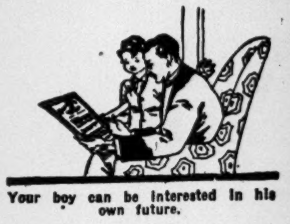
More detailed information concerning the Company may be obtained upon application to the Home Office, Newark, New Jersey.

Edward D. Duffield

THE PRUDENTIAL INSURANCE CO. OF AMERICA

Their Future

Your Boy, For Instance

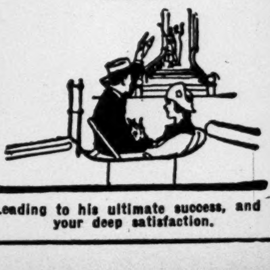


Your boy can be interested in his own future.

His ideas will be "steadied" by the knowledge of your plans for him.

His "preparation" expenses are provided for "no matter what happens."

Later on his training helps to win confidence.



Leading to his ultimate success, and your deep satisfaction.

If your boy or girl could speak now with the wisdom of later years, they would ask, above all else, for education, training for business,—a real start in life.

Every parent knows that the boy who has training is selected for a good position; and the girl who has the right start can make a place for herself in the world, and always be sure of independence and happiness.

You want your children to be equipped for the battle of life, as others are.

Make Your Plans Secure

Why not provide, as many parents are now doing, that "no matter what may happen" your boy or girl will have the advantage of a good start in life?

In these times they need training and the help you can give as never before.

See what the Canada Life can do with the new

Educational Policy

It will provide immediately if you should die, an educational fund, to be held in trust at interest for your child's training.

This fund cannot be touched by the child until the date set by you has been reached.

It will then be paid in eight separate payments, to cover the four vital years of training.

If you should live, the cash value of the contract, with dividends, will be available at any time to carry out any of your plans.

Nothing could be more simple—the funds provided—your plans made definite and secure—whether you live or die.

You have probably thought this matter over many times. Here is a chance to do something—tangible, immediate, yet quite easy.

Why not find out now what the educational policy will do for your child? This will not put you under any obligation.

Canada Life
Assurance Company

Home Office:
Toronto,
Canada.

Canada Life Assurance Company, Toronto
Dear Sirs:—
I would like to have more information about your Educational Policy.
Name ....
Address ....
12

Competition Assumed: Made it Easy for Shipping Combine

This Fact is Emphasized in Report of Commission to Government—Finds Rates Charged Were High and Unjustificable

From Our Own Correspondent.

OTTAWA.—The report of the commission appointed to enquire into lake grain rates, which has been placed before parliament, is a classic in its particular line. It may e be said without exaggeration that nothing like it has been produced before in Canada. It deals with a new subject, and it seems to have said the last word on it. The chairman, Dr. S. J. McLean, is a trained economist, and his training and practical experience in dealing with freight rates and kindred subjects is disclosed in the report. He seems also to have had fine support in Gen. T. L. Tremblay and Levi Thompson.

The report tells the story of one of the most complete combines that Canada has ever had, its completeness being the more surprising because of the assumption, as the report refers to, that there has been the free play of competition in the grain traffic of the Great Lakes. No extravagant statements are made as to the profits made by the combine, but as control was complete the profits must have been large.

Some damaging evidence is produced in the form of telegrams between prominent persons in the combine showing how friends were favored in the allotting of space, those who had the temerity to complain being apparently treated with but scant consideration.

After dealing with the volume and character of the traffic on the Great Lakes the report proceeds to discuss the nature of the grain lake rates and to compare them with those for rail transportation. This is important, there being several essential differences between the two.

Dealing in Futures

"The bulk of lake transportation as it exists in Canada is concerned with grain. In the grain business transsactions in 'futures' are fundamental. The evidence adduced before the commission shows that in general the business is carried on by individuals purchasing space in advance of purchasing grain. In some instances the arrangement may be made a considerable time in advance of the proposed date of movement of the grain; in other cases in dealing with 'nearby tonnage,' the arrangements may be made in respect of movements which are to take place within a very short time after the contractual arrangement is entered into. A grain dealer may obtain accommodation for his grain shipments as the grain comes forward; but the evidence adduced points to the general situation being one where the element of time intervenes between the contract and the actual shipment.

"In the case of rail rates, there is no contractual right in the rate. Subject to the provisions of the Railway Act, an agreement might be entered into as to shipping goods at a future date, but when the goods come to be shipped the rate in existence in the tariff then operative applies, and if goods are shipped, say, under an agreement three months earlier and other goods are shipped without any agreement, then the fact that there is an agreement in one case and not in the other does not take the goods out from under the rate in existence at the time of movement. The railway has no right to discriminate in treatment between two shipments of the same nature moving under similar circumstance or about the same period of time, where the only diffenerce is that one has been assured to the railway by an antecedent agreement and the other has not.

Agreements Made Ahead

"From the nature of the grain business, rate agreements are made a considerable time in advance. The most extreme in this regard to which attention has been directed is set out in Exhibit 236 which involves a contract made with the Armour Grain Company under the date of January 25th, 1922. This was concerned with movements to be made from Port Arthur or Fort William to Georgian Bay ports during the month of May.

"During the month of September, down to the 26th thereof, there was a rate of 3 cents to Bay ports and Goderich. By the 30th it had gone as high as 4 cents. On October 15th there was a rate of 6 cents; on the 25th there was one of 9 cents; and by the end of the month there was a return to 6 and 4. On November 4th there was one of 11 cents; the next day a drop to 4 and a fraction, until by the 26th the rate had worked back to 8 and 10 cents.

"Rate practice in connection with the transportation of lake grain differs from what is allowed under the Railway Act. Grain rates are based on specific contracts. Rail rates are dependent upon the publication of tariffs; and all those offering freight, under similar circumstances, to be moved under the tariffs in question, must have similarity of treatment, regardless of whether there have or have not been antecedent negotiations as to the establishment of tariffs covering the rates in question.

Rates May Vary

"It is open to the lake carrier to carry in the same vessel, or on the same date and between the same points of origin and destination shipments, e.g., of wheat on different rates. Shipments of the same commodity may move on the same boat, and at the same time and between the same ports at different rates. For example, on the Midland King, on November 7th, 1922, to Goderich, there was included one lot of wheat at 4½ cents, another lot of wheat at 8 cents. So far as the legal obligations are concerned, different rates may be charged to two different shippers in respect of different lots and contracts entered into on the same date to the same destination, or even different rates may be charged in respect of different shipments of the same commodity by the same shipper.

"The grain shipper has to guess the market; that is, how he can best procure the tonnage he requires, and what the rate will be. He has to consider before the heavy grain movement starts whether it is advisable for him to reserve tonnage in advance at the rate obtainable, or run his chances of securing tonnage when required at the going rate."

Refering to competition, the report says: "The various witnesses stressed the competitive conditions existing in the American lake trade. The opinion expressed by witnesses who had experience, both of American and Canadian grain traffic, was that the conditions were highly competitive on the United States side of the boundary line; and the same point of view was reinforced by the information which the members of the commission were able to gather at various American lake ports.

Desire Competition

"The general idea of the Canadian shippers, who were before the commission was concerned with a desire to ensure that the lake grain trade would be placed under a competitive regime. The evidence of Mr. James Stewart was emphatic in this regard.

"In justification not only of the higher level of Canadian rates in themselves, but also in justification of the relation to American rates, it was contended that conditions of congestion and costs in regard to coal should be given weight. It was contended that the rates available to Buffalo in the earlier part of the season were so low as not to be profitable, and that therefore they should not be taken as a measure of a reasonable rate. In connection with shipments from Milwaukee to Canadian ports a very considerable portion of the shipment was concerned with movements of corn at the rate of 1¾ cents to Buffalo and bay ports, 890 and 553 miles respectively. It is represented by a large dealer who was concerned in the movement that nearly all the grain moving at 1¾ cents represented tonnage which was booked prior to the opening of navigation, and which, it is stated might, in some cases, have been a little less than the market rate on the date of actual forwarding.

As Bad at Buffalo

"Congestion has been adduced as a reason for difference in treatment of Canadian ports as compared with Buffalo. Satisfactory evidence as to the actual congestion at Buffalo has not been obtained. Such evidence as the commission has obtained establishes that at Buffalo the congestion was as bad as at Port Colborne, and considerably worse than at Bay ports.

"It would appear that there were substantially the same movements to Bay ports in the second half of 1922 as in the second half of 1921. The second half of the year is important in connection with the movement of the Canadian grain crop."

After discussing the effect of coal and unloading as factors for the increase in rates, it is concluded: "Giving weight to both these, however, it does not appear that they justify in their entirety the spread existing between the 1922 rates and the 1921 rates, and to this extent the rates are high and unjustifiable."

Dealing with the cause of delay the commission finds: "The main delay, so far as the upper lake boats are concerned, had been at Port Colborne where grain is transferred from the upper lake boats to smaller vessels, which traverse the canals between that point and the ocean vessels on the St. Lawrence. Although some of the lower lake vessels go for cargoes to the head of the upper lakes, they are so few and so small and their trips are so infrequent that they constitute no material factor.

Difference in Loading

"Then the grain must, at the ocean ports, be transferred from the lower lake or canal boats to ocean-going vessels. The evidence shows that at certain seasons of the year Fort William and Port Arthur have received 3,000,000 bushels per day or more, while at these ports there is a capacity for loading out into the upper lake vessels variously estimated at from 5,000,000 to 8,000,000 bushels per day.

"But Montreal and Quebec cannot be depended upon to transfer to ocean-going vessels more than about 1,500,000 per day, or about one-half of the amount that has actually been received at Fort William and Port Arthur, and about 25 per cent. of the vessel-loading capacity at those points.

"In the evidence submitted before the commission, emphasis has been laid upon the transportation advantages attaching to the St. Lawrence as a factor in the grain movement both of Canada and the United States to seaboard.

"As a practical evidence of this, reference may be made to the fact that the American grain movement from Buffalo by this route, which was practically negligible in 1920, viz., 500,000 bushels, increased to 9,000,000 in 1921 and to 19,500,000 bushels in 1922.

"The attention of the commission was also directed to the plans now well under way whereby Buffalo interests and others are placing new boats on the St. Lawrence route for 1923.

"As typical of the opinion expressed in evidence, may be taken that of Mr. Stocking of Duluth. This witness is associated with the Tomlinson Company. In evidence at the Winnipeg sittings, in referring to the St. Lawrence route, he said, 'It is the natural attractive route.'

"With the completion of the Welland Canal and the addition of such facilities as may be found necessary in order to take advantage of the more economical operation afforded thereby, it may be anticipated that there will be an increase in the grain moving by the St. Lawrence, and that this increased traffic will be able to obtain lower rates resulting from the advantages of lower costs of transportation."

Dealing with the question of the earnings of the different companies the conclusion is reached:

"Taking into consideration the different factors involved, rates between Canadian ports in 1922 were discriminatory as compared with the rates charged by Canadian vessels to American ports."

Fixed the Rates

With respect to the fixing of rates it is found:

"It is admitted that a meeting was held in Toronto on May 4th, 1922, at which four of the largest Canadian vessel companies operating on the upper lakes were represented. These companies were the Canada Steamship Lines, Limited; The Great Lakes Transportation Company; The Mathews Steamship Company and The Algoma Central. These companies appear to operate about 90 to 95 per cent. of the tonnage on the upper lakes and may reasonably be said to constitute a virtual monopoly."

It is admitted that at this meeting rates were fixed which were to remain the going rates until conditions were such as would call for a change. Another meeting was held in New York and a third at Toronto.

After referring to the law on the subject of the restraint of trade, and pointing out that undoubtedly the primary thought in the minds of those framing the Canadian and American criminal laws was to "ensure the safety of open competition, and to discourage anything that would unduly prevent or even lessen such competition," the conclusion is drawn: "If it be necessary that the principle of open competition must be so sacredly guarded, it becomes necessary that the actions of corporations constituting a virtual monopoly shall be critically scrutinized, and that all reasonable steps be taken to ensure that open competition is interfered with to the least possible extent."

A whole chapter is given to the details of the formation of the "shipping monopoly" and the opinion is expressed that "in practice the Standard Shipping Company is a very essential part of the rate-fixing mechanism of the Canada Steamship Lines."

Controlled the Minimum

Reference is made to several exhibits filed with the commission containing information with relation to inter-locking interests connected with the Canada Steamship Lines, Limited; the Standard Shipping Company; the Mathews Steamship Company and the Western Shipping Company.

Respecting the control of rates, the conclusion is reached that, "it would appear that, under the circumstances, the only direct rate control advisable is through maximum rates. This is not without its difficulties; but control through maximum rates would leave a reasonable margin for that competitive bargaining as to rates which the grain dealers desire, while, at the same time, controlling the upper level of rates.

"In support of the suspension of the coasting regulations is the fact that, allowing for differing factors in cost, the earnings on the all-Canadian traffic are still much in excess of those on the international traffic. But in view of the fact that similar coasting regulations on the American side prevent Canadian vessels from engaging in trade between Canadian ports, the advisability of complete abrogation may be questioned."

Imperial West Strike Not Very Valuable

The oil strike which the Imperial Oil made the other day near Lethbridge, Alta., is not deemed to be particularly encouraging at the head office of the concern. Some oil was secured, but not sufficient to constitute a strike. The oil was accompanied by sulphur water and this is not usually accepted as a good sign. The oil is now being analyzed and if the sulphur water can be shut off, as the management is now attempting to do, the well may be sunk deeper in an attempt to get into a solid bed of oil sands. The oil mentioned was struck at a depth of 2,525 feet, and the original report reaching Toronto was that a barrel of light oil had been baled out.

La Rose Opens Up High Grade in Violet Level

Under the shoot developed last year with splendid success at the 470-foot level of the Violet Mine, the LaRose has found, at the 600-ft level of the new workings, a high-grade vein. At time of going to press the muck from the round which brought in the rich ore had not been thoroughly cleaned out, so it was impossible to make a definite announcement regarding widths and values. In the muck, however, are sections of vein matter, eight inches wide, showing ore running several thousand ounces to the ton.

SELL ROUYN CLAIMS

Luke Ryan and Montreal partners have sold a ninety per cent. interest in three Rouyn claims, which total 600 acres. These are the Ryan-Morrow-Gibbons claims near Lake Pelletier and east of the LaRose purchases. The deal calls for good cash payments.

TO FREE BUSINESS OF GOVERNMENT

Strong Stand Taken by the National Association of Manufacturers of U.S.

From Our Own Correspondent.

NEW YORK.—Non-interference of government in business is the first plank in the platform of the National Association of Manufacturers, one of the most representative and active of business organizations in the United States, with an influential membership of some 3,500 manufacturers located throughout the country; and the second plank scores the perhaps most glaring instance of the prevalence of such interference, by reciting the disastrous effect of the tax collectors' crushing grip on the industrial machine. The present system, it declares, is excessively straining the business structure without corresponding public benefit; it pyramids its burden and adds heavily to the price from raw material to finished product.

This association has persistently urged a reform in the tax laws. Two years ago it voted overwhelmingly, almost unanimously to a man, for the abolition of the present system and the substitution of the sales tax.

That it has in no wise changed its mind and believes that its opinion is shared by a great majority of the business men of the United States, it again, as the foremost plank in its platform for 1923, declares for a repeal of the present taxes and the substitution of a tax on gross final sales of goods, wares and merchandise.

This is the confirmed and unwavering conviction of a large body of associated business executives, noted for their conservative and sound attitudes on great questions affecting the vital interests of the country.

TAX TO APPLY AT HIGHEST STATE OF MANUFACTURE

(Continued from Page 1)

the value of the goods. Freight is not taxable.

Where there is a sliding scale of prices on quality orders, the tax will apply on the highest manufactured cost. Thus there will be a reduction in the tax on large orders just as there are other savings in doing business on a large scale.

Importer's Advantage

There would appear to be some relative advantage to the importer in selling in competition with the Canadian manufacturer in that the importer pays the 6 per cent. on the duty-paid price while the Canadian tax is on the manufactured cost.

There would also appear to be some advantage to the small manufacturer who sells less than $10,000 a year in competition with a manufacturer making a similar line in conjunction with other lines. However, this advantage is small when it is considered that in the case of such manufacturer, not having a license, the tax applies to his material when bought.

Protection of Contracts

There will be complications in the case of raw materials in hand, goods in course of manufacture and goods manufactured and not disposed of prior to the date mentioned in the act. However, it is expected that the provision for a rebate of taxes already paid on raw materials will take care of this situation to a large extent.

Where a manufacturing concern sells to a sales subsidiary there will be no sale recognized under the act and the tax will not apply until the sale to the retailer. Should an independent company be formed and the goods manufactured through it, the tax would be fixed on the basis of the highest manufactured cost.

Rebates to Importers

In the case of importations there will be no tax paid by a licensed wholesaler or manufacturer. Eventually when the tax is applied, however, it will be on the basis of duty-paid value. In the case of an unlicensed jobber selling imported goods or materials to a manufacturer he will apply for a refund.

One point in favor of the licensed wholesaler over the unlicensed wholesaler under the act will be that the former will have less capital, to the extent of the tax, tied up in the stock in his warehouse.

Generally speaking the taxation plan is to facilitate business until the tax is applied at the highest state of manufacture. Raw materials may pass through the hands of half a dozen licensed manufacturers or licensed wholesalers without any interference whatever. The tax is applied only when the goods get out of the hands of those holding licenses.

Conditions Laid Down

The following from the Fielding resolution contains the references to the working of the new tax as they have been given to the House:

(1) A manufacturer or producer who produces goods to the value of ten thousand dollars or more during any fiscal year shall take out an annual license, the fee therefor not to exceed two dollars. The minister may direct that a manufacturer or producer who does not manufacture or produce goods to the value of ten thousands dollars a year, and who uses a substantial portion of goods which are exempt from the tax is liable to tax, shall take out a license and shall be subject to the same conditions as the licensed manufacturer or producer.

(2) A wholesaler or jobber who sells not less than thirty per cent. of his total sales of goods to licensed manufacturer or producer, to be used in articles to be produced for sale, may be granted an annual license, the fee therefor not to exceed two dollars. Such licensed wholesaler or jobber shall give security that he will keep proper accounts and render true statements of sales to licensed manufacturers or producers and pay any tax imposed by the said act.

(3) The said tax shall be payable by a licensed wholesaler or jobber at the time of the sale by him to other than a licensed manufacturer or producer of goods the price of which shall include in the amount of excise duties, if sold in bond, or the price of which shall be the duty paid value thereof, if imported.

(5) The said consumption or sales tax shall not be payable in the following cases, that is to say:

(A) On goods exported; or

(B) On sales by a licensed manufacturer or producer to another licensed manufacturer or producer of goods to be used in the production of articles for sale; or

(C) On goods imported by a licensed manufacturer or producer to be used in the production of articles for sale; or

(D) On goods sold by a licensed manufacturer or producer to, or on goods imported by a licensed wholesaler or jobber whose sales are to be accounted for in accordance with the provisions of paragraphs two of section three of this resolution.

(6) A manufacturer or producer who does not produce goods of a value over ten thousand dollars a year, unless he comes under the provision of paragraph one of section three of this resolution, shall not pay the said consumption or sales tax on goods produced by him, but he shall pay the tax on importation.

Provision Made for Refund

(7) A refund of the amounts of the said consumption or sales tax may be granted in the following cases, that is to say:

(a) To a wholesaler, jobber or other dealer in goods sold to a licensed manufacturer or producer to be used in articles produced for sale or with the consent of the wholesaler, jobber or dealer a refund or deduction may be in the like case be granted to a licensed manufacturer or producer; or

(b) To a licensed manufacturer or producer or a licensed wholesaler or jobber, in respect of goods on hand on the 1st of August, 1923, and which are to be used in the production of articles for sale, no refund to be allowed in respect of goods on hand after the 31st of December, 1923; or

(c) On goods manufactured or produced in Canada, when satisfactory evidence is produced that such Canadian goods are at a disadvantage, by reason of the fact that like goods may be imported into Canada free of duty, such refund or reduction not to exceed 25 per cent. of the said tax otherwise payable; or

(d) On imported goods on which customs duties have been refunded on exportations.

Woods Manufacturing Company, Ltd.

COMMON STOCK DIVIDEND NOTICE

The regular quarterly dividend of Two (2%) per cent. on the COMMON STOCK OF WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending May 31st, 1923, has been declared payable June 1st, 1923, to shareholders of record May 25th, 1923.

By Order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, May 16th, 1923.

The Bank of Nova Scotia

DIVIDEND No. 214

Notice is hereby given that a Dividend at the rate of Four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th, 1923, and that the same will be payable on and after Tuesday, the third day of July next, at any of the offices of the Bank in Canada.

The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.

By order of the Board,
J. A. McLEOD,
Asst. General Manager.
Halifax, N.S., May 18th, 1923.

LAKE OF THE WOODS MILLING COMPANY, LTD.

DIVIDEND NOTICES

Notice is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1923, has been declared payable on Friday, June 1st, 1923, to Shareholders of record at the close of business on Friday, May 25th, 1923.

By Order of the Board,
M. H. HUTCHISON,
Assistant-Secretary.

Notice is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY, LIMITED, for the three months ending May 31st, 1923, has been declared payable on Friday, June 1st, 1923, to Shareholders of record at the close of business on Friday, May 25th, 1923.

By Order of the Board,
M. H. HUTCHISON,
Assistant-Secretary.

Dominion Glass Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1923, payable Tuesday the 3rd day of July, 1923, to Shareholders of record at the close of business Friday the 15th day of June, 1923.

By Order of the Board.
MERVYN OFFER,
Comptroller and Secretary.
Montreal, 17th May, 1923.

Dominion Glass Co. Ltd.

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1923, payable Tuesday, the 3rd day of July, 1923, to Shareholders of record at the close of business Friday the 15th day of June, 1923.

By Order of the Board.
MERVYN OFFER.
Comptroller & Secretary.
Montreal, 17th May, 1923.

City of Vernon

TENDERS

Tenders will be received by the undersigned up to and including Saturday June 2nd, 1923, for the purchase of $30,000 15-year 5½ per cent. Waterworks Debentures of the City of Vernon. Debentures in denominations of $500 or $1,000, having coupons attached, payable half yearly on the 15th days of June and December, at any branch of the Bank of Montreal in Canada or London, England.

The highest or any tender not necessarily accepted.

J. G. EDWARDS,
City Clerk.

Barcelona Traction, Light & Power Company, Limited.

(Incorporated Under the Laws of the Dominion of Canada).

To the Holders of the 7 per cent. prior Lien "A" Bonds, and

To the Holders of the 6 per cent. First Mortgage Bonds.

NOTICE IS HEREBY GIVEN THAT the Coupon Number 16, in respect of the interest due and payable on the 1st June, 1923, on the 7 per cent. Prior Lien "A" Bonds (Sterling issue) of the Company will be paid on or after the 1st June, 1923, at the Bank of Scotland, 30 Bishopsgate, London, England, and at the Canadian Bank of Commerce, 23 King Street West, Toronto. Payments will be made in Toronto in Canadian currency at the current rate of exchange for the day upon which such coupons are presented for payment.

AND NOTICE IS ALSO GIVEN that in respect of the interest due and payable on the 6 per cent. First Mortgage Bonds of the Company, 1 per cent. will be paid at the Bank of Scotland, 30 Bishopsgate, London, England, and at the Canadian Bank of Commerce, 23 King Street West, Toronto, on or after 1st June, 1923, in full discharge of the half-year's interest due 1st June, 1923, against surrender of Coupon No. 23.

Coupons of the face value of £0:10:0 will accordingly entitle holders to receive £0:1:0, and coupons of the face value of £2:10:0 will entitle holders to receive £1:0:0. Payments will be made in Toronto in Canadian currency at the current rate of exchange for the day upon which such coupons are presented for payment.

Dated this 23rd day of May, 1923.

For BARCELONA TRACTION, LIGHT and POWER COMPANY, LIMITED.
R. H. MERRY,
Secretary.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after Friday, the FIRST day of JUNE next, to Shareholders of record of 30th April 1923.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR
General Manager.
Montreal, 27th April, 1923.

ONTARIO

SALE OF TIMBER

Tenders will be received by the undersigned up to and including Friday, the 15th day of June, 1923, for the right to cut the timber on the south-west part of the Township of Barr, and the north-east part of the Township of Kittson, in the Temagami Forest Reserve, district of Temiskaming.

The red and white pine timber only is offered in the Township of Barr.

For conditions of sale, maps, etc., apply to the undersigned, or to Mr. S. C. MacDonald, Crown Timber Agent, New Liskeard, Ont.

BENIAH BOWMAN,
Minister of Lands and Forests.
Toronto, May 12th, 1923.

N. B.—No unauthorized publication of this notice will be paid for.

ONTARIO

TENDERS FOR PULPWOOD AND PINE LIMIT

Tenders will be received by the undersigned up to and including the 22nd day of June, 1923, for the right to cut pulpwood and timber on a certain area situated in the watershed of the Trout and Chapleau Rivers, in the district of Sudbury, comprising an area of 1,049 square miles.

Tenderers shall state the amount per cord on pulpwood that they are prepared to pay as a bonus, in addition to dues of 80 cents per cord for spruce, and 40 cents per cord for other pulpwoods, or such other rates as may from time to time be fixed by the Lieutenant-Governor-in-Council for the right to operate a Kraft pulp mill and a paper mill.

Tenderers shall also be required to say what they are prepared to pay per thousand feet board measure for the following classes of timber, over and above the upset prices in addition to Crown dues:

Red and white pine, upset price	$6.00 per M. ft. B. M.
Spruce (too large for pulpwood)	5.00 per M. ft. B. M.
Jackpine (banksian)	2.50 per M. ft. B. M.

The Crown dues on pine, including jackpine being $2.50, and on spruce $2.00 per M ft. B.M., or such other rates as may from time to time be fixed by the Lieutenant-Governor-in-Council.

The successful tenderer shall be required to erect a mill or mills within the limit, or at some point in Ontario approved by the Minister, and to manufacture the wood into Kraft pulp, and also such portion thereof into Kraft paper when required so to do.

Parties making tender will be required to deposit with their tender a marked cheque payable to the Honourable the Treasurer of the Province of Ontario, for fifty thousand dollars ($50,000), which amount will be forfeited in the event of the successful tenderer not entering into agreement to carry out conditions, etc.

The said $50,000 shall remain on deposit until the Kraft pulp mill, as provided by terms and conditions of sale, is erected and in operation. Any timber cut in the meantime shall be subject to payment of dues and bonus as accounts for same are rendered. After the said pulp mill is erected and in operation the deposit of $50,000 may be applied on account of bonus dues as they accrue, but the regulation dues as mentioned above shall be paid in the usual manner as returns for cutting of wood and timber are received and accounts rendered.

The highest or any tender not necessarily accepted.

For particulars as to description of territory, capital to be invested, etc., apply to the undersigned.

All tenders should be enclosed in sealed envelopes and marked plainly on outside "Tender for Trout-Chapleau Pulp and Timber Limit."

BENIAH BOWMAN,
Minister of Lands and Forests.
Toronto, April 16, 1923.

N.B.—No unauthorized publication of this notice will be paid for.